

Royal attack on English in schools

Prince launches a crusade for Shakespeare

By ALAN HAMILTON

THE Prince of Wales, long the scourge of modern architects and planners, won widespread support yesterday when he embarked on a new crusade against another group of self-styled experts — the educationists.

Invited to deliver the annual Shakespeare birthday lecture at the Swan Theatre, Stratford-upon-Avon, the prince said that professional educators were denying Britain's youth its cultural heritage in general and England's, if not the world's, greatest poet in particular.

The marginalising of Shakespeare in school syllabuses "seems to be symptomatic of a general flight from our great literary heritage", he said. There were now several GCSE English literature courses which prescribed no Shakespeare at all, and at least one A-level syllabus in which Shakespeare was not compulsory. Even the Bank of England, he noted, had chosen to remove the bard's picture from the £20 note.

"It is almost incredible that in Shakespeare's land one child in seven leaves primary

school functionally illiterate. Moreover, it appears to be an increasingly common impression that standards of handwriting, spelling, punctuation and numeracy are not all that they should be."

Many educationists and politicians found something to their liking in the prince's broadside. Kenneth Clarke, the education secretary, speaking on Radio 4's *PM* programme, said: "The new curriculum will concentrate on sensible methods of reading, spelling and literature, and that very much includes Shakespeare."

In his speech the prince said: "As we move towards a national curriculum for our schools — sometimes known as an entitlement curriculum — I find myself wondering why the students of our schools are not as entitled to Shakespeare as to other parts of the syllabus?"

"Do we really want to sanction a situation where children are rarely introduced nowadays to the literary masterpieces of bygone ages? Are we all so frightened and cowed by the shadowy 'experts' that we can no longer screw courage to the sticking-place and defiantly insist that they are talking unmitigated nonsense?" ... it is high time the bluff of the so-called 'experts' was called."

It was encouraging that the national curriculum attainment targets in English favoured an acquaintance with some important works of literature, but that was not sufficient to counteract 20 years of accelerating erosion of serious literary study. "There are terrible dangers, it seems to me, in so following fashionable trends in education ... that we end up with an entire generation of culturally disinherited young people."

The prince welcomed the announcement of a new pay review body for teachers, which could go a long way towards encouraging more first-rate recruits to the profession. He felt "an overwhelming sense of shame" that Britain had for so long allowed itself such a short-sighted approach to education.

Educationists are the latest in a long list of specialists to have suffered a tongue-lashing from the prince, who clearly has no intention of carrying out the threat he once made to "go off somewhere else" if people disapproved of his speaking openly. Architects have endured consistent attacks delivered in person and on television. The prince has also said his piece on the inner-city, acid rain and the threat to the ozone layer, tropical rainforests, industrial pollution, the Book of Common Prayer, and violence on cinema and television screens.

The two largest teaching unions interpreted the speech as an attack on the government's handling of education. The National Union of Teachers said the prince was right that teachers were demoralised and the system was failing 16- to 19-year-olds. However, the National Association for Teachers of English dismissed the speech as "nonsense" and said more Shakespeare was taught today than ever before.

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Maestro at work: Sir Yehudi Menuhin, who featured as both soloist and conductor at a Festival Hall concert yesterday to mark his 75th birthday

Pavlov risks all to stop decline

From BRUCE CLARK IN MOSCOW

VALENTIN Pavlov, the Soviet prime minister, yesterday proposed harsh measures, including a crackdown on industrial picketing, as he presented to parliament an economic rescue package that aims to slow, but not reverse, the downwards spiral in industrial output.

The package was praised as "realistic and pragmatic" by President Gorbachev, who faces crucial political tests in the next few days after returning at the weekend, looking haggard, from an unsuccessful trip to Japan where he had hoped to secure huge financial and economic aid. By endorsing the plan, Mr Gorbachev increased the risk that he, too, will be forced out of power if the Pavlov cabinet, which has incurred public wrath by ordering huge price rises, collapses.

According to the President, critics were asking such questions like: "Isn't this too much of a turn towards liberalism and capitalism?" However he would reply: "You and I have already started on the path from democracy to a totalitarian system." A forecast of such criticism was provided by the ex-Politburo member, Yegor Ligachev, who called for "the levers of planning" to be reintroduced to the main sectors of the economy.

The plan, a mixture of deregulation and authoritarian measures, aims only to hold this year's fall in national income to 10 or 15 per cent, and the drop in industrial production to between 13 and 18 per cent, according to a report presented to deputies. That would still mark a decline without parallel in post-war history.

The deputies were told that if current policies were left unchanged, national income would soon fall by 25 per cent a year, and social and political protests would be almost certain before the end of the year. The gross national product tumbled by 8 per cent in the first three months of this year, even before the main effects of the coal strike, which began in early March, were felt in steel mills, chemical plants and

Continued on page 20, col 6

Chalker doubles aid for Kurds

By MICHAEL BINYON, DIPLOMATIC EDITOR, AND ANDREW FINKEL, DIYARBAKIR

GIVING a dramatic account of the suffering she saw in Kurdish refugee camps in Turkey and Iran, Lynda Chalker, the overseas development minister, yesterday told the House of Commons that relief supplies to Iran had to be doubled without delay. She also announced an immediate initial contribution of £2 million from the £20 million pledged by the prime minister.

She said that relief flights to Iran would double to four a week and that the British Red Cross and the Save the Children Fund were to set up a centre for 150,000 refugees that would distribute relief, initially for three months.

Shortly after the minister addressed the House, the Turkish government told leading Western relief organizations, including the Red Cross, to cease operating out of Diyarbakir. Planes instead will go to Incirlik, near Adana, a six-hour drive away.

The Turkish government also announced its own plan for dealing with the 400,000 Kurdish refugees stranded along its border. Mr Hayri Kozakcioglu, the regional governor of the Turkish south-east, suggested at a press conference yesterday that the refugees be resettled directly in their own towns and villages. The scheme would allow them to be resettled quickly without the need for a "half-way house" of large refugee camps.

British and French troops joined American colleagues setting up the safe havens on

the border as Mrs Chalker told the Commons that there were over 1.2 million Iraqi refugees in Iran. Many thousands more were waiting to cross the border. Britain has already supplied 160 tonnes of aid in West Azerbaijan and was helping the Iranian Red Crescent in relief efforts at 55 camps in the region.

Mrs Chalker said that conditions were horrendous. "The health of women and children is particularly at risk because of unclean water, no sanitation, limited health care and irregular food distribution. In the mosque at one camp, the first point of arrival, whole families lie huddled together in row upon row with no facilities at all. They move on into tents, where they have a little more space but where ground dampness makes the problem of extreme cold at night much worse."

Later, at a press conference, the minister criticised the United Nations. She will today travel from Paris to New York with Javier Pérez de Cuellar, its secretary general, and will try to persuade him that the UN should do far more to organise relief and take on its humanitarian responsibilities. She was critical that it had sent only a handful of officials to the capitals of the countries where refugees have fled.

Britain's efforts were costing £3 million a week and Mrs Chalker said she would find the money one way or another — "even from the treasury".

Camps may stay, page 10

Alarm bells ring over scope of aid

Could Britain's effort to help the Kurds backfire politically on John Major? Michael Evans reports on official fears about the scale of the operation

Whitehall is increasingly concerned that Britain's commitment to Operation Haven, setting up camps for Kurdish refugees, could rise alarmingly. More British troops on top of the 5,000 already committed may be needed; they will be deployed for an indefinite period — and the Treasury has not yet agreed to pay the cost of the operation.

The ministry of defence's plans involve the deployment of about 4,500 marines and army personnel. The British contingent will be joined by 500 Dutch marines.

However, some defence officials describe the logistics of the operation as chaotic, with the Turkish authorities unable to cope with the constant flow of military aircraft coming into the country. The British military contribution may have to rise well above the present ceiling of 5,000, because of the need for more

personnel to take charge of transport, supplies and overall logistics.

Although ministers have been careful to underline that the operation is a humanitarian one — and therefore temporary — defence ministry officials acknowledge it is impossible to set any form of deadline on the relief operation. Nobody can predict how long elements of 3 Commando Brigade will have to stay in Iraq. Nor is there any decision yet on who will pay for the military operation.

Yesterday members of the reconnaissance party which left for northern Iraq last week, including Brigadier Andy Keeling, commander of 3 Commando Brigade, returned to Britain. Details of the British contribution are expected to be announced today, after their recommendations. Continued on page 20, col 1

GOOD WRITING IN THE TIMES

DESIGN

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Woodrow Wyatt on Labour's policy regarding the scrapping — or is it retention? — of Britain's nuclear arsenal Page 14

SPORT

Brian James has lunch with two household names from the golden age of motor racing — Juan Fangio and Stirling Moss Page 38

INSIDE

Retail surge last month

Buyers returned to the High Streets last month, according to new figures, but only to beat the Budget rise in VAT to 17½ per cent. Provisional government figures showed a 3.7 per cent surge in retail sales in March, but the consumers' return is unlikely to be sustained. Page 21

Polish sacrifice

The Poles are grumbling about moving to a market economy, but President Lech Walesa has persuaded them to make sacrifices. Pages 27-29

Borg's return

Bjorn Borg, a five-time Wimbledon tennis champion, returns to competition at Monte Carlo today with a wooden racket made at Cambridge. Pages 40, 42

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Praise for teachers 'but must try harder'

By DAVID TYTLER, EDUCATION EDITOR

ON THE day the prince was criticising primary schools, Her Majesty's Inspectors of Schools were praising teachers for the way they had introduced national curriculum English to seven-year-olds.

The inspectors said that schools had made a promising start but that teachers could do better in reading, which was the focus of continuing complaints about falling standards in state schools. There had been particularly good work in writing, speaking, listening and activities involving new technology, the inspectors said, but one in three primary schools was failing to provide satisfactory or better standards.

"Most schools achieved satisfactory standards in reading with 5-6 year olds by employing a considered combination of teaching methods," the inspectors' report said. "More coherent and explicit

approaches to reading need to be adopted especially in the careful balancing of methods for teaching reading, developing motivation and the habit of voluntary reading."

Some teachers did not demand enough of their classes, and failed to get children to learn the basics or to encourage reading for pleasure, said the report, which was based on visits to more than 600 classes.

The inspectors also said that the introduction of the national curriculum had exposed difficulties with some school buildings, while more needed to be done to provide a sufficient range of attractive and challenging books and to encourage reading for pleasure. Many classes were disrupted by teacher shortages, few schools had proper libraries, and some schools suffered cramped conditions because of increasing numbers.

Continued on page 20, col 6

Cold cheer as frost bites Bordeaux wine crop

From JOHN PHILLIPS IN PARIS

HOPES for another bumper production of claret this year were dashed yesterday after a cold snap over the weekend destroyed vine buds in the Bordeaux region, as well as causing serious damage in the vineyards of Touraine and the Champagne.

The Inter-Professional Council for the Wines of Bordeaux predicted that this year's crop will be reduced by a half, falling from six million hectolitres to three million, representing a loss of 400,000 bottles that could send prices soaring for British claret tipplers.

"The frost hit everywhere and was preceded by a very cold north wind,"

said Hubert Bouteiller, the president of the council. "In one foul swoop the work of a year's vine pruning was destroyed."

A spokesman for the Inter-Professional Council for the Wines of the Champagne said as much as one-third of vines producing the precious bubbly grape were also damaged by the cold snap. "We certainly are worried," said Andre Perreut.

The temperature in the Bordeaux area plunged on average of minus 1.3 degrees Celsius (about 30 degrees Fahrenheit) between Saturday night and Sunday morning, according to meteorologists stationed at Bordeaux-Mérignac. In some areas such as Entre-deux-Mers the thermometer fell

as far as minus seven Celsius. Some producers in the worst-hit St Emilion and Pomerol areas saw between 80 and 100 per cent of vines damaged by the frost.

"It will be a small crop for sure," said Jean-Marie Chadronnier a spokesman for the wine growers' union of Bordeaux. "It is not just in Bordeaux but basically everywhere, in the areas of Anjou and Cognac and in the Champagne as well. It might also have affected the Beaujolais and Burgundy areas, we don't know yet. It is rather general."

M Chadronnier said the weather over the next two or three weeks will determine whether growers can minimise the damage which came

after ten basically good years for Bordeaux growers, including several bumper crops.

Damage in the Médoc region and the Sauternais was described as "very grave". Farmers lit fires in the vineyards of the Chateau Petrus and even sent a helicopter over the stricken plants to try and warm up the air.

Temperatures plummeted to between minus four and minus six Celsius in the Touraine region damaging crops of *chinois bourguignon* as well as Touraine, according to Bernard Thevenet, the director of the Inter-Professional Committee for the wines of the region. The Loire Atlantique also suffered serious damage.

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Prince makes a plea for culture in curriculum

Arthritis may be treatable with antibiotic drugs

By THOMSON PRENTICE AND ALICE THOMSON

RHEUMATOID arthritis is caused by a bacterial infection and could become treatable with antibiotic drugs, a leading researcher into the disease said yesterday.

The condition, which affects at least a million people in Britain, is triggered in many if not most cases by a bacterium that causes changes in the immune system, according to studies by Alan Ebringer, of King's College London.

If confirmed by further research, the findings, already supported by scientists at two other centres, could represent one of the biggest advances in the understanding and treatment of the disease. The bacterium responsible is *Pro-*

teus mirabilis, the second most common cause of urinary tract infections and cystitis, Dr Ebringer said at a news conference organised by the Arthritis and Rheumatism Council. The fact that more women than men suffer these infections could explain why three out of four rheumatoid arthritis sufferers are women.

Studies by Dr Ebringer at Middlessex hospital, central London, showed that during active phases of the disease, 80 per cent of arthritic patients had antibodies to the bacteria, while the antibodies were found in only 25 per cent of non-arthritics.

Dr Ebringer has been investigating the role of a num-

ber of bacteria in the disease. He believes that a causative chain of events occurs after the *Proteus mirabilis* infects the urinary tract and kidneys. His theory is that antibodies are produced in response to the infection, other immune responses are activated, and a localised inflammation — the main symptom of rheumatoid arthritis — results. That might happen repeatedly, especially in individuals genetically susceptible to the bacteria.

"The presence of specific antibodies in the serum of at least 80 per cent of rheumatoid arthritis patients during acute phases of the disease clearly indicates that these patients have recently been exposed to these specific bacteria," Dr Ebringer said. He also produced evidence suggesting that ankylosing spondylitis, a rheumatic disease of the back which attacks mainly young men, might be caused by another bacterium, *Klebsiella pneumoniae*.

Dr Ebringer said that if his hypotheses were correct, treatment with antibiotics should lead to the removal of both types of antibody, and to a reduction in inflammation in sufferers. Further studies now in progress should answer that question and might show if the progression of rheumatoid arthritis and ankylosing spondylitis could be arrested.

"As yet we have no cure for these diseases, but if we can prove conclusively that these bacteria are involved we will be much better equipped to find preventative methods such as the correct antibiotics," Dr Ebringer said. His research would not help sufferers of osteoarthritis or acute rheumatoid arthritis but might benefit those with a susceptibility to rheumatoid arthritis or who had preliminary stages of the disease.

The Arthritis and Rheumatism Council, which is funding Dr Ebringer's work, said: "The results are important because we may finally have found a way ahead. However, even if the findings are correct, most sufferers will not be able to get any treatment based on them for several years. But anything that gives a glimmer of hope to one million people is fantastic."

Elusive cause of painful disorder

By OUR MEDICAL CORRESPONDENT

IN SPITE of more than 100 years of intensive research, the causes of rheumatoid arthritis remain largely unknown, but a combination of genetic and environmental factors has long been suspected. The disease is one of the most serious and painful of joint disorders, striking particularly at the fingers, wrists, shoulders, knees, hips and neck.

Women are several times more likely than men to be affected, for reasons that are unclear. Estimates of the number of sufferers in Britain range from between 500,000 to more than a million, with many patients undiagnosed.

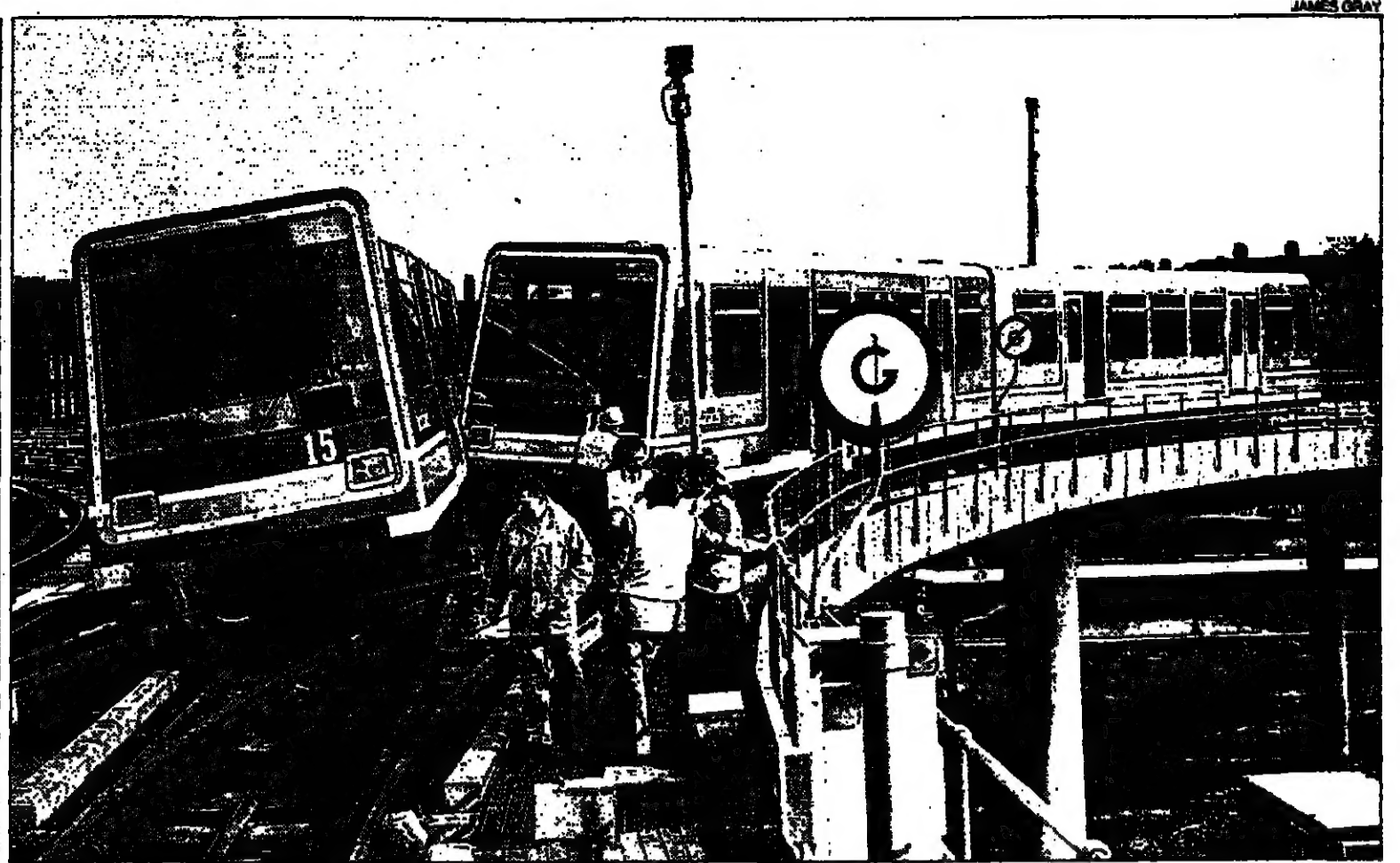
The condition is an autoimmune disorder, in which the natural defences are turned against part of the body itself rather than against infection. That reaction may be caused by a number of genes which either control how severe the disease becomes, or make some individuals more vulnerable to it. External factors, such as viruses or bacteria, probably also play a part.

Although rheumatoid arthritis is often thought of as a disease of the elderly, it can develop before middle age and in childhood, when again it is

more common in girls than in boys. The onset is usually gradual, but it can also begin suddenly. Affected joints become swollen, painful and stiff, and the surrounding muscles become weaker because of inflammation and thickening of the synovium, or lining membrane of the joint. In severe cases, joints can be destroyed, but drug treatment can prevent or delay that stage. The most widely used drugs are non-steroidal anti-inflammatories, which relieve the pain and stiffness, but which can cause or aggravate stomach ulcers.

If those drugs fail, or are unsuitable, corticosteroid drugs suppress the immune system and reduce the symptoms. They may also be injected into joints to give pain relief.

Some sufferers may need an artificial hip or knee joint, whereas others have to undergo occupational therapy or physiotherapy. About one in three victims of rheumatoid arthritis will have considerable disability. Ten per cent recover completely, but most sufferers have to take pain-relieving drugs for the rest of their lives.



Off the rails: the scene near West India Quay station on the Docklands light railway in east London yesterday after two trains collided. Human error might have contributed to the crash, the first accident since the railway began in August 1987 (Michael Dwyer writes).

The crash happened during the morning rush-hour when a train from Stratford to the Isle of Dogs ran into a train from Tower Gateway travelling in the same direction at an elevated junction where the three branches of the rail system merge. Firemen led passengers to safety and there were no injuries.

The railway is an automatic system in which a computer effectively drives the trains. Each train has an automatic train operation which, based on information from a transmitter at each platform, lets it continue to the next station. Because of what is thought to have been a transmitter fault at Westferry station, however, the Tower Gateway train did not receive the information needed to continue, and the on-board train captain, who usually operates

the doors, had to take the train out of the station manually. Railway officials were unable to say why the driver did not see the approaching Stratford train. The railway is also fitted with automatic train protection to prevent trains entering a section of track already occupied. Investigators are trying to establish why that system failed.

Boarding schools fight for pupils

By DAVID TYTLER, EDUCATION EDITOR

PUBLIC schools were challenged by their state boarding school cousins yesterday to fight for the declining numbers of parents who want their children educated at boarding schools.

Headteachers of state boarding schools, which charge a third of the fees of Eton or Winchester, are fed up with being neglected by local education authorities and many have decided to opt out of their control.

"State boarding schools are the best kept secret in education," John Haden, chairman of the new State Boarding Information Service, said. "We offer as varied a selection of schools as the independent sector and provide a comparable education."

The heads of the 50 state boarding schools in England will meet in London tomorrow to mount a campaign to

counter the falling demand for boarding places, which is hitting state and independent schools, both of which have seen demand fall by 10 per cent since 1984.

State boarding schools provide free education but charge boarding fees of £825 to £1,500 a term compared with the average £3,000 in the private sector.

Secondary schools should be allowed to have their own bank accounts and cheque books by next April to ensure that they have control over their annual budgets, Michael Fallon, the junior schools minister, said yesterday.

Even the smallest schools would be able to control their budgets and all schools could apply for the power to take effect from April, Mr Fallon said.

Privatised BR expected to cut road congestion

By MICHAEL DYNES, TRANSPORT CORRESPONDENT

THE reduction of road congestion will be a central aim of legislation to privatise British Rail, Malcolm Rifkind, the transport secretary, said yesterday.

Privatisation would free the railways from the financial disciplines imposed by the annual public expenditure round, enabling rail managers to press ahead with investment schemes to improve rail services, financed by commercial borrowing, and so reducing the burden on the road network, Mr Rifkind said.

The freedom to borrow from the financial markets would enable rail managers to exploit the commercial opportunities presented by the new combined road-rail technologies for switching long-distance freight from road to rail. "These technologies could make a substantial contribution to reduced congestion on the roads," Mr Rifkind said.

Privatisation would also help to change attitudes inside British Rail, making rail managers more sensitive to customer needs. "I have a gut feeling that it is the only way to change the attitude that if British Rail gets you to your destination it has done you a favour," he said.

Decisions about what form privatisation should take had not been finalised, although some options, particularly the breakup of the railways into five companies, InterCity, Network SouthEast, Regional Railways, Freight, and Parcels, appeared more viable than others, Mr Rifkind said.

The creation of a track authority, which would lease lines to companies offering rail services, has not been ruled out, but the difficulties presented could undermine the objectives of privatisation. A national track authority would be "a powerful monopoly in its own right", Mr Rifkind said, requiring a regulatory authority to decide who should be responsible for investment in new track and

signalling. If the regulatory authority were to be the state, it would undermine the whole exercise, he said.

A track authority would offer no solutions to the difficulties faced by Network SouthEast, where public dissatisfaction was greatest, because the network was so congested that there was no room for additional services.

In addition, private companies were unlikely to compete to run services on loss-making Regional Railways, Mr Rifkind said. He added that the government had no objections to a more integrated approach towards transport planning, providing it was designed to improve all modes of transport.

Mr Rifkind said that transport officials were re-examining the prospects for introducing road pricing, the system for charging motorists for using urban roads at peak periods, because of the projected increase in vehicle numbers.

Wheelchairs on fast track to marathon success

THE wheelchairs used by paraplegic contestants in the London marathon on Sunday are built with the precision and technology of custom racing bicycles. Bearing no resemblance to the bulky, heavy NHS-issue machines bravely piloted by a lone paraplegic marathon contestant in 1982, the best racing wheelchairs cost up to £1,200.

Chas Sadler came 29th in the wheelchair marathon in about the same time as Rosa Mota, the winning woman runner, at under two and a half hours. Mr Sadler, aged 41, a paraplegic since he was ten, had the chair made to measure last year by Bromax Wheelchairs in Loughborough for £950.

Made of steel tubing, it has only three wheels. The two wheels at the back splay inwards to maximise the pushing action.

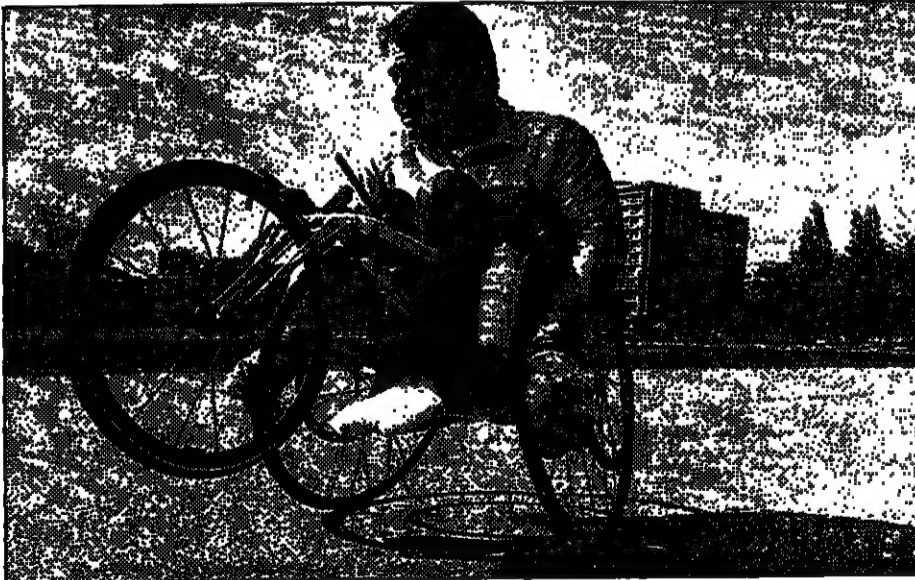
The front wheel, about half the size of the rear ones, is steered by short handlebars

Peter Victor reports on the wheelchairs used in marathons

attached to short forks. The seat is saucer-shaped and nylon webbing straps form the bottom, back and leg rests. On Mr Sadler's machine a perspex footrest is suspended from webbing straps underneath the seat.

The wheels, made from aluminium alloy, have extremely thin rims with tyres inflated to up to 130 pounds per square inch, allowing high speeds but making punctures more likely.

Competitors fit cut down rubber tyres to the wheels pushing rails. Gloves worn to protect the hands are wrapped in tape for extra padding. One of the back wheels carries a sensor for a computer mounted on the handlebars. This records distance, shows



Wheelie show: Chas Sadler demonstrates the acceleration of a racing wheelchair

speed and calculates times over the mile. In Czechoslovakia last year, Mr Sadler was among a group of competitors tracked on police radar at 35mph on a downhill run.

In Sunday's marathon Farid Amarouch, from France, was first past the post, cutting four minutes off the previous record with a time of 1 hour 52 minutes 52 seconds.

Enquiry into wind farm scheme on edge of Snowdonia seen as test case

Plans for a wind "farm" near Snowdon worry conservationists. Craig Seton takes soundings

A PUBLIC enquiry into disputed plans for Britain's first large-scale wind power scheme on the edge of the Snowdonia national park is seen as a test case that could determine the pace and scale of commercially exploited wind energy.

Twenty-four wind turbines are envisaged for the proposed wind "farm". They would be strung along the 1,312ft high Mynddy-Cemmes ridge near Machynlleth, Powys. The plan is opposed by the Countryside Commission (which otherwise welcomes the principle of clean, renewable forms of energy), the Council for the Protection of Rural Wales, and Snowdonia national park. They say the scheme would be a visual intrusion in an environmentally sensitive area, although the proposed farm would be just over a mile outside the southern edge of the designated park area at its nearest point. The company behind

the £9 million scheme, the Wind Energy Group (WEG), a consortium including British Aerospace and Taylor Woodrow, fears that rejection of its plan could set back the development of wind power in Britain.

WEG believes that visual intrusion would be minimal and claims the support of two community councils, Montgomeryshire district council, the county council and most local people.

The 108ft-diameter turbines supported on 82ft columns would be erected at intervals over 2.4 miles of the high ridge and be capable of producing electricity for 6,500 homes.

Critics say there are better, less intrusive sites and that the turbines would be visible from high points in the national park, including Cader Idris, 10 miles away. The plan was called in by the Welsh department and a public enquiry that began on April 10 is expected to finish this week.

The scheme poses a dilemma for the government, which wants more of Britain's energy needs to be met by wind and other renewable resources. The decision by David Hunt, the Welsh secretary, on WEG's scheme is likely to set the environmental criteria for future wind power projects, which are likely to be proposed on windy, exposed land usually found in or near conservation areas. Others have been proposed in Yorkshire, Cornwall and Cumbria.

Dr Peter Musgrove, WEG deputy managing director, said: "It is absolutely crucial to get permission for this scheme. This is really a test case. If it is turned down it would make approval for other schemes less likely."

He said that Britain's wind energy resources were assessed as being capable of generating 10 per cent of electricity needs. If such a target were to be met, it would involve between 25,000 and 30,000 wind turbines being erected in the United Kingdom. He said: "We are ready with the technology to do that now."

Bill Henderson, the national park's southern area principal planning officer, said: "We believe there are better sites. If this scheme is approved the government will find it difficult to resist other similar applications."

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More than ten wind turbines are operating in Britain, some run by private landowners and others the experimental legacies of the Central Electricity Generating Board (Nick Nuttall writes). Some seven farms totalling about 200 turbines are in the pipeline. Some have been called in for public enquiries, others await environment department approval. The project near Delabole gained planning permission before countryside bodies began objecting.

Howard call for cash to cut jobless is renewed

By NICHOLAS WOOD, POLITICAL CORRESPONDENT

A DISPUTE has arisen in Whitehall over plans by Michael Howard, the employment secretary, for emergency measures to head off a surge in the jobless figures in the run-up to the general election.

Mr Howard has been pressing Norman Lamont, the Chancellor, to approve his proposals for a multi-million pound "temporary work scheme" to take some of the sting out of the recession. He originally sought an announcement timed to coincide with the Budget but the plan was vetoed by Mr Lamont.

Mr Howard wants to revive arrangements akin to the community programme, which took 300,000 people off the dole in the mid-Eighties by putting them to work on

socially useful projects such as clearing up derelict land and canals. He has returned to the fray because of worsening unemployment.

Last week, the day after his department announced that the 113,000 rise in unemployment during March had taken the seasonally adjusted total past the two million mark, Mr Howard wrote to the Chancellor urging him to reconsider the scheme.

Senior ministers fear that unemployment threatens the election timetable. The latest increase, plus other factors, has effectively closed off a June poll and shifted cabinet opinion towards the autumn.

Mr Howard will be arguing in his renewed appeal to the Chancellor that the scheme he is advocating would help to alleviate the worst effects of the recession on the labour market. Details of the plan were disclosed at the beginning of last month in a leaked employment department memorandum. It said that ministers were considering a new scheme "at the bottom end of employment training (ET)". ET, which is aimed at the long-term unemployed, replaced the community programme in 1988.

Labour and the Liberal Democrats have both renewed their calls for a temporary work scheme. However, Tony Blair, the Opposition's chief employment spokesman, has made plain his hostility to "makeshift" arrangements to massage the figures.

Yesterday, Mr Howard sought to pre-empt Labour attacks on the government's employment record by claiming that Labour plans for a national minimum wage would cost at least 1.25 million jobs. "If Labour's union paymasters had their way, and differentials were restored in full after the introduction of a minimum wage, job losses would soar to 1.25 million initially and to two million as the minimum was raised. One Labour policy could almost double unemployment."

Parliament, page 7
Leading article, page 15

'That's Life' man makes libel claim

By PAUL WILKINSON

GAVIN Campbell, a presenter on the BBC television show *That's Life*, yesterday sued *Today* newspaper for libel damages over its allegations that he ruined the wedding of the first English couple to marry underwater by being sea-sick over the vicar and bringing 20 uninvited guests.

David Eady, QC, counsel for Mr Campbell, told the High Court that his client was the victim of a spiteful character assassination, reminiscent of the bad old days of tabloid journalism. *Today* denied his claim, saying the report on December 28, 1989, was true or fair comment.

The wedding couple, Sue Diamond and Mark Richardson, agreed to the BBC recording their ceremony 25ft under water off Key Largo, Florida. The newspaper article appeared ten days later, Mr Eady said. It was rather nasty and written in a personal way attacking Mr Campbell, he said.

The article, based on alleged interviews with the couple, accused "pushy Gavin" of hiring 20 "guests", insisting on giving away the bride, and filming the ceremony three times. Mr Eady said that Mr Campbell believed "passionately" that he had been treated unjustly. He was an active fundraiser, so it was important his character should be beyond reproach. His portrayal as boorish and egotistical was grotesque because he was "exactly the opposite".

The case continues today.

Campbell: victim of nasty attack, QC alleges

100,000 will see play's premiere

By SIMON TAIT, ARTS CORRESPONDENT

AMATEUR drama will banish the professional theatre from the limelight in the autumn when the biggest theatre audience on record sees the world premiere of John Godber's new play, *Happy Families*, a comedy.

More than fifty amateur drama groups across the country will present the play on the same night before an estimated 100,000 theatre-goers in a £50,000 scheme sponsored by British Telecom in conjunction with BT Biennial, in which a new play is to be commissioned for amateur production every two years, was launched at BT's London headquarters yesterday.

Brian Cooter, chairman of the Little Theatre Guild, which represents the best of Britain's 12,000 amateur com-

panies and which devised the scheme with BT, called the project "the greatest event in the history of the movement. This recognises that amateur theatre is often at the heart of cultural life in our communities. In many towns the amateur theatre is the only theatre."

John Godber won a Laurence Olivier award in 1984 for his play *Up 'n' Under*. He has written for television and next month his ten-part drama series about comprehensive school teachers is to begin on BBC. He is artistic director of one of Britain's leading regional fringe companies, Hull Truck. After the October launch, the play's copyright reverts to Mr Godber and will be available to professional companies.

Islanders weather chill of isolation

By KERRY GILL

MOIRA Brown, the only primary school teacher on the tiny island of Egilsay in Orkney, will retire next year satisfied at having seen the number of pupils multiply since she arrived from Ayrshire in the mid-1980s.

The island, half way between the Orkney mainland and Papa Westray, is one that has weathered the chill of depopulation, having attracted new settlers anxious to embrace the good life. In 1981, Egilsay was home to 25 people. Today there are 49, farming beef and sheep stock.

During the same ten years the school roll has grown from one pupil to seven. The classroom has been extended and the playground resurfaced, small signs that the community has a bright future. "When I first came here I was a bit apprehensive," said Mrs Brown, who settled on Egilsay with her husband after living in West Kilbride. "But I have a busier life here than in Ayrshire. You become in-



And then there were six: the remaining primary school pupils of Vatersay. A decision on whether to close the island school will be made this week

involved with everyone and the community is growing."

Fetlar, off Shetland, has not been so lucky. Twice in the past seven years the community has advertised for settlers. Forty years ago there were 200 inhabitants; today there are 80. The only shop is due to close and the primary school roll has fallen from ten to six.

Highlands and Islands Enterprise has responsibility for helping threatened communities. Its recently formed

local enterprise companies will have to ensure that funds are channelled towards the most needy, such as Vatersay, the island off the southern tip of Barra, and Rhenigdale, on Harris.

The population of Rhenigdale has risen from ten to 14 since a five-mile road was built to the hamlet a year ago. Before the road, access was either by sea or over a treacherous, seven-mile mountain path. Modern communications have their

drawbacks, however. The Rhenigdale school, which had one pupil and a teacher, has closed.

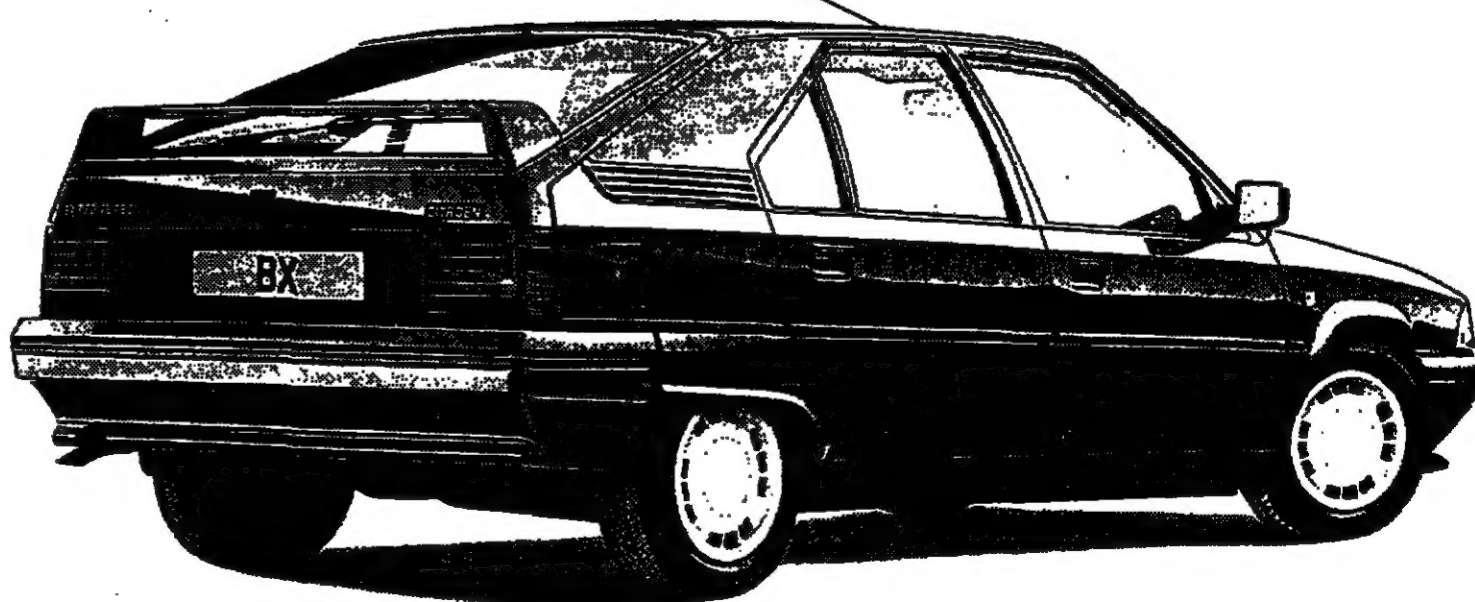
On Vatersay, recently connected to Barra by a causeway, a decision will be made this week on whether the six-pupil school will remain open. It is hoped that easier access will encourage more people to settle on the island. Over the past 13 years the population has fallen from 120 to less than 70.

The islanders want some

of the old crofts renovated so that the council houses can be vacated for incomers. The crumbling buildings are a reminder of a community that peaked at 350 during the 1930s, after squatters had taken over the island 20 years earlier. When crofting laws were changed and the government bought Vatersay from its absentee landlord, the squatters were able to establish their own crofts. Their descendants hope for a similar regeneration.



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Millions in drug profits seized after bank tip-offs

By STEWART TENDLER, CRIME CORRESPONDENT

TIP-OFFS from bankers about suspicious customers have led investigators to millions of pounds of drug profits and the seizure of ten tonnes of cannabis and 200 kilos of cocaine, a London conference on money laundering was told yesterday.

The cash and drugs are part of an illicit industry in Britain generating an estimated £2.4 billion a year for cannabis, cocaine and heroin alone, according to a paper by Detective Inspector Tim Wren, of the national drugs intelligence unit. Experts estimate that 50 to 70 per cent of profits could be laundered.

The seizures were made over three and a half years after police and customs officers followed money trails arising under the Drug Trafficking Offences Act, which enables the identification and seizure of traffickers' assets.

One tip-off came from a Surrey bank about a man, purporting to be a fruit importer, who was sending money to Peru. His business could not have generated the wealth he had and his business account was being used to buy chemicals for refining cocaine. The enquiry led to the discovery of the first cocaine-processing plant seen in Europe.

A bank in the Southampton

area reported a customer who was unemployed yet ran two accounts and deposited £500 to £600 every other day. The man was arrested for possession of drugs, including LSD and cannabis.

Since the act came into force in 1987 the national drugs intelligence unit has received over 4,000 reports about suspect transactions. About 5 per cent of disclosures prompt investigations which result in the seizure of drugs and cash, and a further 15 per cent help existing investigations.

Last week Kenneth Baker, the home secretary, said that £27 million in drug profits had so far been confiscated under the legislation.

Colombian drug cartels are moving into The Netherlands to exploit the country's traditional role as the gateway to Europe in the run-up to the single European market. A report by the Colombian secret police says that The Netherlands is the main European warehouse and shipment centre for the cocaine trade.

A High Court judge yesterday agreed to a request from the Panamanian authorities to continue orders freezing bank accounts in Britain belonging to General Manuel Noriega.

Countdown to May 2 elections: Tory canvassers find that Major is an important asset

Bradford shakes off a heady legacy

By PETER DAVENPORT

THE cartoon pinned on the noticeboard in Ronnie Farley's office at Bradford city hall is a clear indication of the impact created by Eric Pickles, his predecessor as Tory leader.

Mr Pickles was a determined and pugnacious champion of the Thatcherite cause, intent on turning the local authority into "Bradford plc", a ready-made "bogey-man" for his opponents and the possessor of a skin not so much thick as armour-plated.

He is not standing in the elections next month; instead, he is off as prospective parliamentary candidate to the safe Conservative seat of Brentwood and Ongar, a reward, it is said, for his time at the turbulent helm of what was then the Tories' northern flagship authority.

The cartoon on the noticeboard is set in the office of the *Telegraph* and *Argus*, the local evening newspaper. A front-page lies on the desk displaying the headlines "Iraq defeated" and "Pickles goes South" (a reference to his move to Brentwood and Ongar). An aide is holding the telephone and saying to his editor: "It's Saddam Hussein. He's complaining about being on the same page as Eric Pickles." The cartoon is a measure of the fierce emotions that Pickles' combative



No looking back: Tommy Flanagan aims to consolidate Labour's control of Bradford council... and to unseat the Tory leader

style of leadership fostered and that led to boisterous confrontations in the council chamber during the time the Conservatives maintained control only with the casting vote of the lord mayor.

Since Labour regained control last year, it has devoted much energy to dismantling the Pickles legacy and it expects to be given an even greater mandate to carry on doing so on May 2.

Mr Farley, a chartered accountant and driver of a white Porsche, has a different style to Mr Pickles and one that is, on the surface, more engaging. Asked about any disparaging personal stories during the rounds he is likely to say: "It's probably all true."

Mr Pickles would have been unlikely to have pinned a pair of pink knickers to the wall of his office, as Mr Farley has done at his firm of chartered accountants. He says he asked for the underwear, half jokingly, as the price of an after-dinner speech to a group of Sheffield ladies some years ago.

There are other differences too. Mrs Thatcher's demise — set off by the Bradford North by-election defeat — is proving no bad thing on the doorstep, he says, with voters preferring John Major.

The heady days of Tory rule in a city long regarded as a working class bastion seem far off, today Labour has 48 of the 90 council seats with the Conservatives, 13 by Labour and one by the Liberal Democrats. Among them is Mr Farley's seat in the Clayton ward, regarded by some as marginal and one that is being targeted by Labour.

Tommy Flanagan, a councillor for seven years, took over as Labour leader last May. He says: "It would be a marvellous coup for us to unseat the Tory leader and we think that is possible." Mr Flanagan adds that the party has spent the past year dismantling the legacy of Mr Pickles and his Thatcherite

policies which, he says, had resulted in a £30 million cut from the council budget for essential services. The poll tax under the Conservatives was £276, the lowest of any metropolitan district and one which, Labour says, had been set artificially low with government connivance.

Mr Flanagan says that the policy meant that Labour

needed to set a poll tax this year of £343 just to stand still. To achieve some of its aims it settled on £363, before the Budget cut of £140, well inside the government's standard spending assessment.

Mr Farley says that, because of the reduction and government plans to scrap the tax, it is no longer a burning issue on the doorstep. Mr Flanagan says voters have longer memories and have not forgotten the financial impact of the tax in a traditionally low rated city.

For Mr Flanagan, who says he expects to gain six seats from the Tories, the days of confrontation with Eric Pickles may not be over. He has been selected as Labour's prospective parliamentary candidate to fight the Keighley seat near by, held by Gary Waller for the Conservatives with a majority of under 5,000. If he wins, politics Bradford-style may yet get an airing in Parliament.



Farley: offering voters a new style of Toryism

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*Net of interest has relief at basic rate of 25% on the interest on the first £20,000 of the mortgage. Premier Mortgages are available to anyone borrowing £60,000 or more where the property is situated in England or Wales or £40,000 or more where the property is situated in Scotland or Northern Ireland. Based on a purchase price of £60,000, a married couple (a man aged 30 and a woman aged 28, both non-smokers), taking out a Premier Mortgage of £60,000 over 25 years at the current APR of 12.25% would pay interest of £531.56 each month net of tax (200 payments). Based on a minimum sum assured of £60,000 and an endowment policy term of 25 years the couple would pay a monthly endowment policy premium of £80.78. Total amount payable is £242,756.75 (which includes value's fees of £115.00, solicitor's mortgage charges of £28.00, accrued interest of £203.75, and a single repayment of capital of £60,000, it assumes the mortgage starts in the middle of the month). The interest rate quoted is variable. A first charge over your property will be required as security for a Premier Mortgage. A suitable endowment policy or pension plan will also be required. A single premium indemnity policy will be required where the mortgage exceeds the Society's normal maximum percentage advance. An administration charge is payable if buildings insurance is effected otherwise than through the Society's agency. A deeds production fee will be payable if the mortgage is redeemed before the end of the term. All mortgages are subject to status and valuation. Written quotations are available on request from your local branch. Rate quoted applies to all mortgage offers issued on or after 19th April 1991 and to existing borrowers from 1st May 1991.

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.

Postman jailed for hoarding

A postman was jailed for three months yesterday after pleading guilty to secreting 13,000 letters and parcels instead of delivering them and of stealing £60 from one of them.

The offences came to light only when Andrew Porter, aged 26, of Rumcorn, Cheshire, moved house and the new occupant found sacks of mail in an out-house, the loft and under floorboards. Warrington crown court was told. When police went to Porter's new home they found more mail in a van he had hired to move his furniture.

Francis Chamberlain, for the prosecution, said Porter was the village postman at Cronton, near Widnes, for two years before he started committing the offences. His motive seemed to be laziness.

Legal challenge

The Ramblers' Association argues that the golf course will alter the landscape, removing traditional features such as drystone walls. In a letter to Michael Heseltine, the environment secretary, Alan Mattingly, the association's director, says: "It would, in short, suburbanise an upland landscape — a landscape for which the Yorkshire Dales

Ramblers try to thwart golf plan

By PETER DAVENPORT

was designated a national park and for which it is world famous." He adds that the plan would cause lasting damage to the fabric of the park, in defiance of a recommendation from the recent report of the National Parks Review Panel.

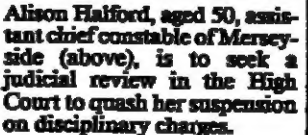
The Yorkshire Dales national park committee has granted permission for the £500,000 nine-hole course, with a clubhouse and car park, at Cuthlotes in Dendale, near Sedburgh, Cumbria. Park officials say that the golf course will be a low-key development for use primarily by local people and is part of a farm diversification plan.

The Ramblers' Association argues that the golf course will alter the landscape, removing traditional features such as drystone walls. In a letter to Michael Heseltine, the environment secretary, Alan Mattingly, the association's director, says: "It would, in short, suburbanise an upland landscape — a landscape for which the Yorkshire Dales

was designated a national park and for which it is world famous." He adds that the plan would cause lasting damage to the fabric of the park, in defiance of a recommendation from the recent report of the National Parks Review Panel.

The ramblers fear that the golf course will be followed by plans to expand it, and say that the decision to grant planning permission was taken without a public enquiry or consultation with conservation and wildlife groups.

Peter Watson, the principal planning officer for the Yorkshire Dales, said yesterday that the national park committee had decided to grant planning consent subject to the developers, two farmers who own the land, signing an agreement restricting expansion of the golf club. It was intended that the new course would replace Sedburgh golf course, which was closing. The planning permission would come into force once the agreement had been signed.



Alison Halford, aged 50, assistant chief constable of Merseyside (above), is to seek a judicial review in the High Court to quash her suspension on disciplinary charges.

Michael Syrett, aged 39, of Ruislip, and David Charleston, aged 30, of Slough, were remanded in custody yesterday charged with murdering David Miller on a fishing trip at Iwer, Buckinghamshire. Two teenagers also charged were given bail.

Moore stolen

A Henry Moore bronze worth £60,000 has been stolen from a dealer's house near Andover, Hampshire. The 54cm statue of a mother and child is one of an edition of ten.

Prison escape

Two inmates were on the run from Dartmoor prison yesterday after stealing a prison Land-Rover while working on the prison farm.

Powers that be

The Republic of Ireland is threatened with power cuts from today because of a strike by 1,000 power workers.

Susan is just like any other 10 year old



but she lives under the shadow of diabetes

■ 2 in every 100 people in Britain today suffer from diabetes.
■ 3,000 children developed diabetes last year.
■ 60,000 new diabetes cases are diagnosed every year.
■ People with diabetes are more likely to suffer from blindness, kidney trouble or amputations.
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Britain softly appro social

By NICHOLAS WOOD

FRESH evidence of Britain's more conservative approach to Europe is provided by the employment statistics which show that the rate of unemployment has risen to 10.5 per cent, the highest since 1976.



Cash aid for costs of war

Cash payments to be made to people who have been forced to leave their homes in the Gulf war area, according to a report by the United Nations. The report says that the United Nations has received requests for cash aid from 100,000 people in the Gulf war area. The United Nations has agreed to provide cash aid to 100,000 people in the Gulf war area. The cash aid will be used to cover the costs of food, clothing, and shelter.

S Africa aid 'premature'

Peter Hunt, the anti-apartheid minister and new Labour MP for North, said at a question time that it was "highly premature" to talk about more aid for South Africa while violence in the townships continued. He said that the aid should be used to help the victims of apartheid.

Lambeth debt

Latest figures indicate that Lambeth Council in south London has owed £28.9 million in council rates, £28 million in domestic rates and £13.7 million in business rates. The council is in a financial crisis and is seeking a bailout from the government.

Parliament today

Commons (2.30 p.m.) Questions: Education and science; prime minister; Pensions; bull, continuing stages; Lords (2.30 p.m.) Criminal justice bill, committee, fifth day.

Peers' s

LORD Whitlaw had a useful as deputy prime minister and the Lords he could convince his cabinet ministers and his fellow simultaneously that he was fighting their side.

True, Margaret Thatcher's attempt for the upper House and stamp her foot whenever it chose another of her prized policies when convinced that the Lord strong case. Lord Whitlaw wheeled a concession out of the Lords has crumpled to the point every key decision that confuses the elected chamber is jettisoned by ministers and reversed.

Commons. Only the minor amendments made after hours of acrobatic drafted legislation are accepted. What demoralises the peer than anything is not that it is an anachronistic institution, it is having its arguments considered and then ignored. This disdain for the arguments comes, oddly, from the Conservatives who have been in overall majority in the upper chamber for the last 10 years.

Conservatives have quietly given even counting independent parties. All big rebellions in years have been Tory-backed, u

important asset

lers try to
gold plan

lives under
the shadow of diabetes

nicotine

Britain treads softly in new approach to social charter

By NICHOLAS WOOD AND ROSS TIDMAN

FRESH evidence of Britain's more conciliatory approach to Europe emerged yesterday when Michael Howard, the employment secretary, softened the rhetoric of government opposition to the social charter.

Mr Howard underlined the more constructive approach towards Brussels being taken by ministers under John Major's leadership by putting forward alternatives to the Brussels blueprint for employee participation in company decision-making rather than rejecting them.

A draft directive from the

EUROPE

European Commission envisages a mandatory Community-wide network of works councils creating formal machinery for consultation between managers and workers.

Mr Howard made clear that Britain remains opposed to such a blanket solution, arguing that it would amount to the imposition of a legal straitjacket. The directive was fundamentally flawed because it equated employee involvement with formal machinery to allow employee representatives to participate in the strategic decision-making of firms.

However, the government shared the objective of strengthening employee involvement in industry and he would be tabling alternative ideas at a meeting of EC social affairs ministers next month. The employment secretary's move at a conference in London jointly organised by the government and the CBI comes after his efforts earlier this year to persuade Vassio Papandreu, the EC social affairs commissioner, to speed implementation of the social charter by concentrating on those parts of it commanding general assent.

Mr Howard is engaged in the politically delicate task of retreating from the fierce language adopted by Margaret Thatcher in her resistance to Brussels' ambitions while sticking to much the same policies. Brussels officials are likely to view his latest venture as little more than a cosmetic exercise.

Mr Howard urged his fellow employment ministers to support a publicity campaign promoting employee participation in companies instead of the commission's uniform approach. He said that any EC recommendation should aim to generate the commitment of all employees to the success of the business in which they worked. It should enable the business to adapt to changing market requirements and improve its prospects. It should also endeavour to increase the satisfaction employees get from their work and improve performance by drawing on the skills of all employees.

Leading article, page 15

Cash aid for costs of war

Cash contributions paid or pledged to Britain towards the cost of the Gulf war are £660 million from Kuwait, £565 million from Saudi Arabia, £275 million from Germany, £250 million from the United Arab Emirates, £183 million from Japan, £15 million from Belgium, £15 million from Hong Kong, and £8 million from Denmark. The figures were given in a written reply from Douglas Hogg, Foreign Office minister of state.

He added that assistance in kind worth about £150 million had been received from about sixteen countries.

S Africa aid 'premature'

Peter Hain, the anti-apartheid activist and new Labour MP for North, said at question time that it was "highly premature" to talk about more aid for South Africa while violence in the townships continued. South Africans did not have the vote and prisons were filled with political prisoners.

Lynda Chalker, overseas aid minister, had said that Britain's aid to black South Africans would rise steadily to more than £10 million in 1992-3.

Lambeth debt

Latest figures indicate that Lambeth council in south London is owed £28.9 million in rents, £28 million in domestic rates and £13.7 million in business rates, Robert Key, environment under-secretary, said in a Commons written reply.

Parliament today

Commons (2.30): Questions: Education and science; prime minister. Ports bill, remaining stages. Lords (2.30): Criminal justice bill, committee, fifth day.



Final touches: Angela Corner, the sculptor, giving last-minute attention to her figure of Lord Butler of Saffron Walden, which goes on display at the House of Commons tonight (Paul Wilkinson writes). The bronze of "Rab" Butler, as he was better known during his days as a Conservative minister in the Fifties and Sixties, will be the latest

addition to the Commons display of portraits and busts of leading public figures in the lower waiting hall of the Palace of Westminster when it is unveiled by his former cabinet colleague, Enoch Powell. "We are delighted to have one of the most influential political figures of the second half of the twentieth century joining our collection", Patrick

Cormack, chairman of the Commons works of art committee, said. The sculpture was commissioned by Lord Butler's family as a gift to the House. Ms Corner said: "I spoke to his family as much as possible to get to know as much as I could. I was intrigued by the man himself, not just the way he looked. I think I would have liked him."

Jail failed to care for prisoner

A PRISONER who committed suicide at Brixton prison last year had not been given the care he needed. Earl Ferrers, Home Office minister, said during questions in the Lords last night about the death of Edward Robinson, aged 28, of Holloway, north London, who had been arrested for brandishing a knife at a policeman.

"I greatly regret that in this case, mistakes were made which meant that a vulnerable man did not receive the care he needed."

Lord Harris of Greenwich (Lib Dem) said that Mr Robinson was known to suffer from paranoid psychosis. "If he had been in a mental hospital he would probably have been alive today."

MP demands 'overseer' for undertakers

THE professional charges levied by funeral directors were a "rip-off", MPs were told yesterday.

Lawrence Cuscliffe, Labour MP for Leigh, who for many years has campaigned against high charges for funerals, called for an enquiry into the industry and for legislation establishing a council to control the way it was run.

The industry was worth between £250 million and £270 million a year with a further £100 million spent on ancillary items such as flowers and the cost of services. Mr Cuscliffe, opening a backbench debate, told MPs that as part of his research he had spent time working with coffin makers and in funeral parlours. Coffins being sold by manufacturers for £19 or £20 were being retailed by funeral companies for £150 or more. There were mark-ups of between 400 and 500 per cent. The average funeral company

FUNERAL FIRMS

reckoned that a funeral involved it in 40 hours of work for which it charged £350.

Prices had increased markedly in recent years as smaller, local undertakers had been taken over by big firms, although the big firms kept the names of the smaller companies to indicate that they were still local concerns.

He cited the case of a woman who had found that the cost of the funeral of her mother was £108 more than that of her father who had died only a few weeks before. She found that between the two funerals the company had been taken over and prices raised.

Roger Knapman, Tory MP for Stroud, said that on average 1,200 families among his 90,000 constituents suffered a bereavement each year. Constituents had sent him letters about tropical forests, Wales, battery hens and almost every other subject but never on undertakers' charges. Mr Cuscliffe's proposals would strangle the funeral industry in a mass of red tape.

Firms would be forced to give pollution facts

By PHILIP WEBSTER, CHIEF POLITICAL CORRESPONDENT

PLANS to force companies to make public full information about any pollution they cause were outlined by the Labour leadership yesterday.

Ann Taylor, shadow environmental protection minister, pledged in London that a Labour government would end the secrecy that had been "the hallmark of government and industry". Asserting that industry was over-protected by claims of commercial confidentiality, Mrs Taylor said: "We will require industry to provide full information about all releases to the environment, including accidental releases through spills and leakages. We will change the onus, from the present right that industry has to keep information secret, to a citizen's right to know."

Labour says that the public is not given enough information about toxic waste dumps, drinking water quality, contaminated land, industrial pollution, food contamination, bathing water pollution, air and river water, and the environmental impact of goods bought in the shops.

In a policy document, *Coming Clean on the Environment*, Labour amplifies its plans for a network of local environmental protection offices to give information on all environmental worries. Pollution control officers would give information or handle complaints on air and water pollution, waste dumps, plan-

ENVIRONMENT

ning, transport, noise and nuisance, factory emissions, waste collection, drinking water and food standards.

Giving further details on how Labour's proposed environmental protection initiative would work, the document promises a national inventory of toxic waste with details of its chemical components and possible effects on health and the environment. There would be "audit trails" of toxic waste, with a national database giving information about where waste originates and what it contains at each stage of treatment through to disposal. Industry would be required to provide summary information of all waste emissions to be held on the national database.

The paper promises that Labour will require all water companies to provide details of drinking water quality, compliance with European standards and details of plans for improvement.

Mrs Taylor said that secrecy had often made it difficult to assess the facts about pollution. Lack of information could make it impossible to assess where a true risk had arisen. Assurances were often given that all was well without any understanding of the concerns people had. "The sort of bland assurances that have been given about drinking water quality, when there clearly are problems in some areas, makes people question all the claims that ministers and the industry make."

She said that, given the scale of pollution, it was legitimate to ask industry to provide comprehensive information. "The European Community is moving in this direction. So far the British government has paid lip service to the concept of access to information... the government has not supported bringing all EC members up to the standards of the best."

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Writers: Simon Burke, Andy Andrews

Executive Producer: Ted Childs, Music by Jan Hammer

Central

So far, so good

Peers' self-confidence is fading

By SHEILA GUNN, POLITICAL CORRESPONDENT

LORD Whitlaw had a useful knock-as deputy prime minister and leader of the Lords he could convince his fellow cabinet ministers and his fellow peers simultaneously that he was fighting on their side.

True, Margaret Thatcher had contempt for the upper House and used to stamp her foot whenever it challenged yet another of her prized policies. But when convinced that the Lords had a strong case, Lord Whitlaw usually wheedled a concession out of her.

Since his days, the influence of the Lords has crumbled to the point where every key decision that conflicts with the elected chamber is jeered at openly by ministers and reversed in the Commons. Only the minor amendments made after hours of scrutinising badly drafted legislation are accepted.

What demoralises the peers more than anything is not that they are treated as an anachronistic joke. Rather, it is having their more considered and well argued decisions considered and well argued decisions ignored. This disdain for the Lords' arguments comes, oddly, as the Conservatives have quietly gained an overall majority in the upper House, even counting Independent cross-benchers with the other political parties. All big rebellions in recent years have been Tory-backed, with the



Lord Waddington: soon decided that something was wrong

Opposition parties merely making up the numbers against the government.

After becoming leader of the Lords last November, Lord Waddington detected something wrong. His initial feeling was frustration at the quality of answers given by most of his frontbench team. Although he will carry out a reshuffle this summer, the

problem is caused as much by civil servants drafting ministerial briefs that they would never get away with in the Commons.

If the Lords as constituted has any justification in a democracy it is surely to examine the implications of legislation, looking beyond the next polling day. The peers, for example, said that administration and non-payment would make the poll tax unworkable.

This session, tension is centering on the Lords vote to abolish the mandatory life sentence for murder and the return of the war crimes bill. Ministers are threatening to overturn last week's 98-vote Lords majority for abolition. They are also prepared to use the parliament acts to push through the war crimes bill. In both cases, the government talks of the need to send the right signal to the public, whereas peers dislike using legislation as a publicity steamroller.

The vote on the life sentence was a classic instance of recent government defeats. The amendment was cross-party, heavily supported by Tory and Independent peers and illustrated a subject the peers had studied deeply. If ministers studied the Lords *Hansard* they would realise that the government lost the abolition vote because Lord Waddington lost the argument.

Disease of poverty and bad sanitation stalks Third World

Peru cholera epidemic is running out of control

By NICHOLAS WAIT

LATIN America's cholera epidemic, which has already killed 1,200 people, is the most serious of many outbreaks of the disease which are hitting areas of the Third World.

In just over two months, 160,000 people have been infected and it has spread to Peru's neighbours. The government has declared a 90-day emergency, which it will probably have to extend, and the school term was delayed by two weeks to allow schools to build adequate lavatories.

However, many schools have been forced to give up building after the money quickly ran out. The epidemic is now spreading out of control as the poor sanitation facilities in the country's shanty towns offer little or no protection against the disease.

It is no surprise that South America's first big outbreak of cholera this century should have struck so quickly in Peru, which is one

of the poorest nations on the continent. Its economic performance in the 1980s was a disaster, and the former president, Alan Garcia, alienated the developed world with his refusal to maintain debt repayments. This brought to a halt many development projects usually supported by the Western international financial agencies.

Caryle Guerra, the head of the Pan-American Health Organisation, has called for an international emergency programme to check the epidemic. He told South American health ministers in Bolivia: "It is almost inevitable that we will have an epidemic of a monstrous nature in Latin America which will be nearly impossible to contain."

He gave a warning that the United Nations alone did not have the resources to fight the epidemic. However, he rejected a request from five South American nations — Peru, Bolivia,



Looking to recover: a small boy, one of many thousands of Peruvians who have been treated in hospital as cholera has continued to spread. Patients may be given rehydration therapy and antibiotics

Colombia, Venezuela and Ecuador — to create a joint fund to fight the disease, citing a lack of resources. There are now 3,500 cases of cholera in Ecuador, Peru's northern neighbour, where 59 people have died.

Colombian health officials have reported two deaths and 140 cholera cases so far, mostly from the jungle re-

gions bordering Peru and Brazil. The Colombian government has earmarked \$23 million to improve sanitation and health facilities in the affected regions.

The disease is spreading through the Brazilian jungle towns bordering Peru and it could affect up to three million Brazilians.

Elsewhere in the world,

nearly 400 people have died in southern Bangladesh in the past three weeks and more than 300 people have died in Zambia in the past year in other outbreaks of cholera. The disease has struck at least 30,000 people in Bangladesh since it broke out a month ago.

Kamal Ibne Yusuf, the Bangladeshi health minister,

told parliament yesterday that 580 medical teams were working in 59 field hospitals in nine coastal districts. The epidemic in Zambia has spread to seven out of nine provinces and the World Health Organisation has moved in to help distribute supplies.

Leading article, page 15

Woman wins foreign portfolio

From JOHN BEST
in OTTAWA

ONE of the biggest winners in the weekend cabinet reshuffle by Brian Mulroney, the Canadian prime minister, was Barbara McDougall, aged 53, an MP from Toronto, who was named external affairs minister.

Ms McDougall, who had been minister of employment and immigration, takes over from Joe Clark, who becomes minister of constitutional affairs, charged with trying to resolve Canada's deepening national unity problems, which are rooted in the separatist threat by the French-speaking Quebec province.

Ms McDougall, a former financial journalist and securities company executive, has been in the cabinet since the Conservatives, under Mr Mulroney, took office in 1984. She held a succession of junior posts before assuming the employment and immigration portfolio in 1988.

Ms McDougall's experience of foreign affairs is almost non-existent. As a neophyte, she is expected to be more likely to keep to the lines laid down by Mr Mulroney than Mr Clark did. Mr Clark, a former prime minister, had frequent public disagreements with Mr Mulroney.

Ms McDougall is Canada's second female external affairs minister. The first was Flora MacDonald, also a Conservative, who held the post for a short period in 1979 and early 1980.



McDougall: is expected to toe the Mulroney line

Tamils lose 950 men in month

Colombo — More than 1,000 Tamil separatist guerrillas, government troops and civilians have been killed in Sri Lanka's worst month of ethnic violence, military sources said.

At least 950 rebels and 166 government security men were killed in fierce battles, and, according to the sources, the Liberation Tigers of Tamil Eelam guerrillas, frustrated by large-scale losses, were now turning their guns on civilians.

In the latest attack, at Neadella village in eastern Moneragala district, rebels shot and hacked to death 22 Sinhalese civilians.

In the worst previous attacks, rebels killed 17 villagers on April 14 and 14 fishermen on April 15. "The terrorists are going after civilians because they are getting beaten elsewhere," a senior military officer said.

A spokesman for the Tigers, who are fighting for a separate state in the north and east for the island's 2.5 million minority Tamil community, was not available for comment.

Military sources said the highest casualty toll for the rebels in the past month was in fighting in Mannar district on the northwest coast. At least 660 had been killed there. (Reuters)

Opening the door, page 14

Kashmir demand

Jammu — Foreigners, mostly tourists, have been asked to leave Kashmir by Indian intelligence agencies citing security fears in the strife-torn northern state, where Muslim militants kidnapped two Swedish engineers three weeks ago. Security officers were still trying to trace the men, who were working in Uri district. (AFP)

Dictator dies

Moscow — Yumjaagyn Tsendenbal, the dictator of Mongolia for 32 years until he fell from grace in 1984, has died in exile in Moscow, aged 74. While in Moscow, he was expelled from the communist party. (Reuters)

Obituary, page 16

Gener arm revolt Gorb

By MICHAEL LEWIS

OPEN demonstrations of revolt could erupt in the Soviet military within the next 12 months because of growing dissatisfaction towards President Gorbachev's failing to bring about a new republic on the programme of a new republic on the Soviet Union.

Moscow had been forced to recognise that the threat to the Soviet Union came from inside the country, not from outside. General Alexander Vlasov, one of many senior Soviet communists interviewed, predicted that officers would start resigning and there would be increasing evidence of open revolt. The source of

Serbian defiant in court

Belgrade — Vuk Draskovic, the leader of the largest Serbian opposition party, defied the communist regime and appeared in court to answer charges that during the anti-communist demonstrations last month he had incited the crowds to violence and so was responsible for the destruction which led to two deaths (Dessa Trevisan writes).

Mr Draskovic, the charismatic leader of the Serbian Renewal Movement in Yugoslavia, told the court that he did not feel like a defendant, but rather a prosecutor, as the trial would provide an opportunity to show the truth about who was responsible for "the crime committed by the state against bare-handed peaceful demonstrators".

Nuclear base

Budapest — Karoly Grosz, the former Hungarian prime minister, told the socialist daily, *Nepszabadsag*, that the Soviet Union had deployed nuclear weapons in the country while the two nations were Warsaw Pact allies. They were removed after he took office in 1987 and appeared to President Gorbachev. (Reuters)

Mine ban pledge

Madrid — Gerald Kaufman, the Labour foreign affairs spokesman, said a Labour government would ban mining and oil exploration permanently in Antarctica. Britain, as one of the 30 Antarctic Treaty nations meeting here this week, currently pursues a limited mining ban.

Currency curbs

Bucharest — Romania will ban shops from selling goods for hard currency from May 3 in the next step towards currency convertibility, the National Bank governor said. New high-denomination leu banknotes will also be introduced. (Reuters)

Embattled faces pain

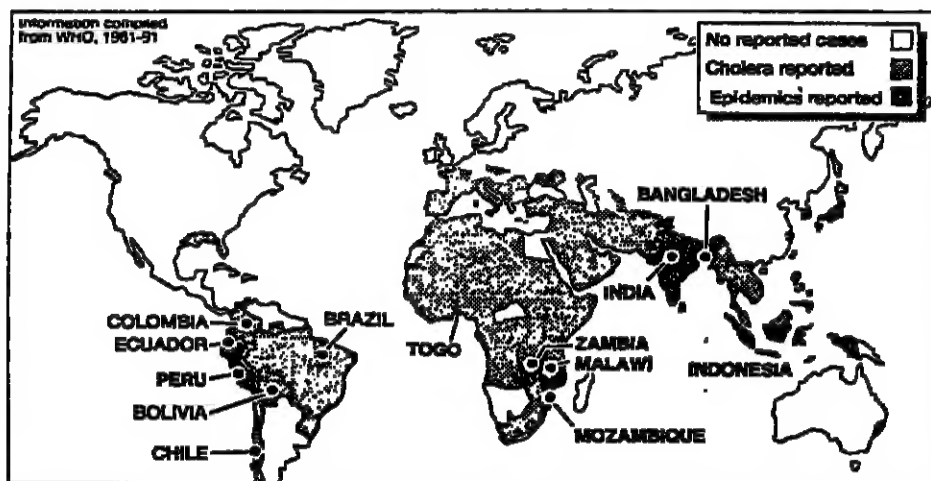
From IAN MUI

AFTER suffering "the bitterest defeat" of his career, Helmut Kohl, the German chancellor, faces a crisis of confidence in his ability to revitalise east Germany's economy and the threat of a coup to remove him from the leadership of the Christian Democrats (CDU).



Kohl: blamed for CDU's "bitterest defeat"

The CDU was not just beaten but trounced by the opposition Social Democrats (SPD) in Sunday's state elections in the Rhineland-Palatinate, and yesterday Herr Kohl was being blamed personally. The state is the chancellor's backyard, where he was prime minister for nine years before moving to Bonn, and where the Chris-



Raw fish linked to outbreak

THE Peruvian cholera epidemic was probably introduced by a local uncooked fish dish, but poor sanitation has allowed it to spread quickly, an expert on infectious diseases said yesterday (Nicholas Wait writes).

Paul Clarke, medical director of the travellers' medical service at the London School of Hygiene and Tropical Medicine, said the fish would have been contaminated by sewage. Poor drainage facilities then

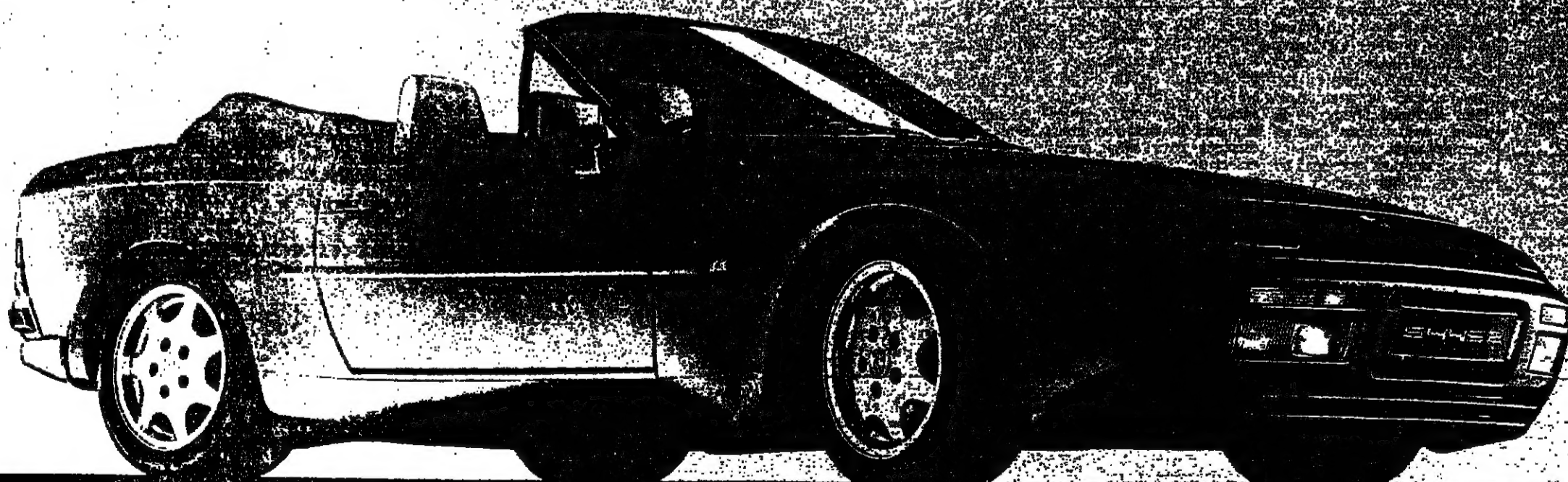
allowed the cholera bacteria to contaminate drinking water in the shanty towns. He said that when the water pressure dropped in the mains, diseases in the soil around the pipes quickly seeped in.

Dr Clarke said that *Vibrio cholerae* is a bacterium which infects the bowel and produces a toxin. This paralyses the lining of the gut and prevents the body from absorbing food, water and salts. A victim of cholera

then dehydrates very quickly as fluids are drawn into the bowel. This leads to uncontrollable diarrhoea and vomiting. Until about ten years ago, the only treatment was to administer fluids by intravenous drip.

However, the paralysis within the gut can now be treated by giving the patient a drink with salt and sugar. But Dr Clarke said that this had to be forced down because the patient would carry on vomiting.

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accolade for Britain's 'best coupé'. Indeed the new, limited edition Turbo Cabriolet (only 100 will be coming into the country) merely adds fresh air and, dare we say it, fun to the experience of driving an awesomely powerful car.

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PORSCHE
DRIVING IN ITS PUREST FORM

General says army will revolt against Gorbachev

By MICHAEL EVANS, DEFENCE CORRESPONDENT

OPEN demonstrations of revolt could erupt in the Soviet military within the next 18 months because of growing disaffection towards President Gorbachev's failing reform programme, according to the author of a new report on the Soviet Union.

Moscow had been forced to recognise that the main threat to the Soviet Union came from inside the country, not from outside. Lieutenant-General Aleksandr Vladimirov, one of many senior Soviet commanders interviewed, predicted that officers with the rank of colonel would start resigning and there would be increasing evidence of open revolt. One source of

anger was that 40 per cent of the army lived below the poverty line.

General Vladimirov, a former tank commander and now responsible for Soviet forces in Vietnam, gave warning of a potential explosion in the army within a year to 18 months, according to Elaine Holoboff, author of the report written for the Centre for Defence Studies at King's College, London university.

The increasing evidence of revolt in the armed forces was a reflection of the breakdown in the economy and political system, Ms Holoboff said. Her report concluded: "If the fragmentation between the centre and the republics continues, and if divisions within the armed forces become more accentuated, the search by Gorbachev and the conservatives for stability and control may only succeed in moving the country closer to civil war."

The report added: "In this case questions of military reform will become irrelevant as regional armed formations face each other in the battle to redefine 'statehood'." The Soviet political situation was likely to become increasingly unstable, "even if there is an attempt to reassert control over the republics through military force".

It now appeared that Mr Gorbachev, "politically isolated in an increasingly weak centre", had carried out the coup d'état feared by so many for so long. Gathering around him the traditional sources of power — the leadership of the armed forces, the KGB, the military-industrial complex, and Communist party — he had "sought to impose order where none exists". The report questioned whether these sources would be sufficient to return stability to a fragmented country. "With state, government, military, and Communist party in disarray, it seems doubtful."

The Military Crisis in the Soviet Union, by Elaine Holoboff, is published by Brassey's at £7.50.

● TOKYO: North Korea showed its anger at talks between the Soviet Union and South Korea by publishing a statement yesterday in which it accused President Gorbachev of selling his principles for dollars.

The statement, issued by the official news agency through a front organisation, said the claim by President Roh Tae Woo of South Korea that the talks were conducive to peace and security on the divided peninsula was wrong.

On the contrary, the statement said, "this dirty mendacious diplomacy is a grave act of national division which fosters antagonism and confrontation by getting on the nerves of the North, not bringing closer the South and the North and uniting the nation". (Reuter)

Gorbachev struggle, page 14

Serbian defiant in court

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Embattled Kohl faces party coup

From IAN MURRAY IN BONN

AFTER suffering "the bitterest defeat" of his career, Helmut Kohl, the German chancellor, faces a crisis of confidence in his ability to revitalise east Germany's economy and the threat of a coup to remove him from the leadership of the Christian Democrats (CDU).



Kohl: blamed for CDU's "bitterest defeat"

The CDU was not just beaten but trounced by the opposition Social Democrats (SPD) in Sunday's state elections in the Rhineland-Palatinate, and yesterday Herr Kohl was being blamed personally. The state is the chancellor's backyard, where he was prime minister for nine years before moving to Bonn, and where the Chris-

tian Democrats had been in power for all 44 years of the state's existence. Victory should have been a foregone conclusion.

Instead, the SPD emerged as easily the largest party in the state parliament and will be able to dictate terms to potential coalition partners. The Greens have already said they are prepared to serve under SPD leadership, but Rudolf Scharping, the new prime minister, would rather form a coalition with the liberal Free Democrats (FDP), junior partners of the CDU in the national government.

The FDP leader in the state, Hans-Hermann Dieckhoff, said yesterday that he was interested, if only to keep the Greens out of power. If the FDP decides to join the SPD, a precedent would be set for a national coalition.

The CDU now only holds Baden-Württemberg in the west and the chancellor's power base therefore lies in the four east German states with CDU governments, where CDU support is also crumbling fast.

The SPD now has a clear majority in the Bundestag, the upper house of parliament, where it can block legislation on taxation and spending.



Remembrance day: bereaved relatives of Romanians who died during the December 1989 revolution taking part in a Bucharest rally yesterday to protest against the actions of club-wielding pro-government miners a year ago

Gummer seeks to rein in spending

From MICHAEL HORNSBY, AGRICULTURE CORRESPONDENT IN LUXEMBOURG

EUROPEAN Community agriculture ministers were deadlocked last night over stopping runaway farm spending and mounting stockpiles of surplus food.

John Gummer, the agriculture minister, appeared to have the firm support of only one other member state, The Netherlands, in resisting pressure to increase spending beyond a supposedly binding ceiling agreed by heads of government in 1988.

"We have got to come to the crunch on the budget," Mr Gummer said. "That is why we are taking a very tough position indeed. Any relaxation now would send very harmful signals to our trading partners and to our own farmers."

The farm ministers, at the end of March, and finance ministers last week failed to make any progress on the dispute, which threatens to repeat the damaging wrangles of the early 1980s over Britain's budget contribution.

Anger at Sofia list of police spies

From TIM JUDAH IN SOFIA

BULGARIAN opposition deputies were outraged yesterday after the publication of a list of MPs alleged to have been secret police informers before the collapse of communism in 1989. Of the 32 names on the list, 17 are deputies for the opposition Union of Democratic Forces, and five from the Socialist party, formerly the Communists. The list was printed in the newspaper *Fax* which leans towards the Socialists.

Vladimir Philipov, a senior opposition adviser, said: "This is not the real list, it's a communist manipulation." Petar Beron, the UDF leader, was forced to resign last November after it was revealed that he had been a secret police informer.

Reflecting a widely-held opposition view, Mr Philipov said: "The ministry of the interior had a year to sift the files and transfer documents... one thing is for sure, they won't give us the names of people who are still informing."

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A hell, a haven: the squalor around Kurdish refugee tents, scattered among the mud and trees at Isikveren, in Turkey, contrasts with the order of a camp being set up yesterday by US Marines at Zakho, in Iraq



How thousands of refugees have lived on the brink

IT IS emerging that the refugee camps in Turkey, Iran and Iraq are being organised by the Kurds as well as the relief groups.

ALLIED CAMPS

Little is known at present of the intentions regarding the enclaves of safety they plan to construct for the Iraqi Kurdish refugees. The building of the first of the camps has been started near Zakho, on the international highway from Turkey into Iraq. It is expected to house some 100,000 people. Zakho is to be the administrative centre of the relief operation, and will, presumably, be thrown open to its own former inhabitants. Traditional Kurdish social patterns are reasserting themselves and the allies will be keen to take into account that village elders, tribal chiefs and guerrilla commanders already

show signs of taking charge of the distribution of food, sanitation and law and order.

American sources have said that a strip of territory, some 30 miles wide, will be cleared of Iraqi military presence to provide refugees with a sense of security. The Kurds say they want the strip to be widened to include all their cities, and to stretch along the border of Iraqi Kurdistan with Iran. In this way, they say, the bulk of the population of Iraqi Kurdistan might be expelled into the strip by the Iraqi government in order to replace them with Arab settlers. Such a policy would also allow the Kurds to resume a semblance of normal lives, with minimised maintenance costs to the outside world. But

whatever shape the evolving allied policy takes, the deployment of American, British and French troops in the region

THE camps now being constructed for Kurdish refugees in northern Iraq by the Western coalition are so superior to those in Turkey and Iran that there is a danger they may become permanent, writes Hazhir Teimourian

seems to be an open-ended one. "I think the troops are stuck there for as long as Saddam Hussein stays in power," said John Foran, director of International Medical Relief, a charity set up for the medical care of victims of upheavals abroad.

In the past, say relief workers, Turkey has set out to make its Kurdish refugee camps virtual prisons designed to persuade them not to stay.

TURKEY

Before the Iraqi invasion of Kuwait on August 2 last year, there were thought to be some

30,000 Iraqi Kurdish refugees at three camps in the Kurdish provinces of south-eastern Turkey. They remain near the town of Mardin, adjacent to the border with Syria, which houses some 12,000 people; Diyarbakir, the cultural capital of historic Kurdistan, which contains some 14,000 Kurds; and Mus, further to the north, which houses the remainder in an abandoned army base.

"They are effective prisons," says Dr Foran. "Life was made so intolerable for them that some 60,000 of the original refugees who fled into Turkey from the gas attacks of 1988 went on to seek refuge in

Iraq or even went back to Iraq."

Citing a military protocol from 1984 that allows only Europeans to seek refuge in Turkey, the government of President Ozal has refused to grant the Kurds from Iraq refugee status, with the consequence that foreign relief organisations have not been permitted to visit the camps. "The German Red Cross were the only foreign relief organisation allowed to provide a limited number of tents for the refugees," said Dr Foran in London yesterday. "But even those were replaced by poor-quality local ones by the Turks."

Food, too, was "often used as a weapon", according to another source. It was very basic, and it was not enough.

"Worse still," said Dr Foran, "was the open co-operation of the Turks with the Iraqi police. They allowed the Iraqis to bring the frightened families of the refugees into the camps to plead with their relatives to go back to Iraq. Some did go back and they have never been seen since."

At the start of the recent Gulf conflict, Turkey sealed the camps to all outside contacts, saying that the need to prevent Iraqi sabotage required such a measure. More recently, there are reports that inmates' food rations have been improved.

Observers of Turkish politics believe that the government's overriding consideration in its treatment of the Iraqi Kurds — including its

present refusal to allow the latest fugitives to come down from the mountains into Turkish territory — is fear of the effect that the Kurds of Iraq might have on further arousing the national aspirations of millions of Kurds inhabiting "Northern Kurdistan", the banned Kurdish name of the south-eastern provinces of Turkey. Some 2,500 people, nearly half of them security personnel, have died in a guerrilla war in clashes with Kurdish nationalist guerrillas in the south-east since 1984.

While, in his desire to promote a democratic image for Turkey President Ozal has shown signs of enlightenment by, for example, his recent lifting of the ban on the private use of the Kurdish language among citizens, his government's Kurdish policy is largely formulated by the National Security Council, a

body in the grip of the military.

The Iranians, who have allowed the refugees to settle among relatives in Iranian Kurdish camps, though not surrounded with barbed wire and watch towers, remain harsh and hopeless places.

IRAN

Over Turkey's eastern border with Iran, some 250,000 Iraqi Kurds were said to be in refugee camps there before the Iraqi gas attack on the Kurdish city of Halabja in March 1988, their numbers swelling by some 100,000 more soon afterwards. More recently, an estimated one million other Iraqi Kurds have chosen Iran as a place of refuge, with some 300,000 more said to be on their way there.

UN RELIEF

First delivery arrives as Kurds talk in Baghdad

FROM ADAM KELLIHER IN BAGHDAD

UNITED Nations relief efforts within Iraq gained momentum yesterday, with the first shipments of medicine being dispatched north and co-ordinators plotted the location of scores of stations which they hope will give Kurdish refugees enough confidence to return home.

Elsewhere, the Iraqi government and representatives of Kurdish exile groups apparently continued their talks in Baghdad, but authorities drew a veil over the proceedings, giving no indication of any breakthrough.

Kurdish opposition groups have said the basis of the discussions was an autonomy proposal, dating from March 1970, under which the ethnic minority was promised limited self-rule within Iraq, but the central government would

retain control of defence, foreign policy, the issuing of currency and oil. The Kurds spurned the scheme in 1974, and negotiations are reportedly still deadlocked over the location of scores of stations which they hope will give Kurdish refugees enough confidence to return home.

The secret negotiations have been under way since contacts were made about ten days ago between the government of President Saddam Hussein and the two main groups, the Democratic Party of Kurdistan and the 42-faction front led by the Patriotic Union of Kurdistan.

Baghdad's team, according to an unofficial source, includes Izzat Ibrahim, vice-president, Tariq Aziz, a

deputy prime minister, and Ali Hassan al-Majid, the interior minister and Saddam's cousin who has a reputation for brutality in his handling of earlier Kurdish rebellions and the occupation of Kuwait.

It remained unclear if the political and military adversaries, who have been fighting each other since the 1960s, would be able to reach some accommodation to coincide with international relief efforts to lure home the millions of Kurds huddled in Turkey and Iran.

Gianni Murzi, the representative for Unicef (the UN children's organisation) in Iraq, said two lorry-loads bearing 40 tons of medicine and fluid would be sent to the north early today, the UN's first relief delivery within Iraq since the calamity began.

IRAQ

Shias hit out at 'betrayal'

FROM MICHAEL THEODOULOU IN NICOSIA

DIFFERENCES between opposition groups in Iraq emerged yesterday as Kurdish rebel leaders, enticed to Baghdad with promises of autonomy, entered a third day of talks with government officials and Shia leaders vowed they would have nothing to do with an "executioner".

Kurdish spokesmen said President Saddam Hussein had made an offer too attractive not to consider. It includes an expanded version of a 1970 autonomy agreement, Kurdish involvement in all Iraq's decision-making bodies, free elections and a new constitution. But there was no indication yesterday the talks were making any progress.

The talks have angered Shia groups who say they violate the charter of the Iraqi Joint National Action Committee, an alliance of 17 opposition groups, formed in Damascus last December, pledging to overthrow Saddam.

The Shias see the talks as a betrayal of the thousands who have died in the uprising. "There should be no bargaining with executioner Saddam," said a spokesman.

TURKISH-IRAQI BORDER

Clans system begins to beat mob rush for food

FROM ANDREW FINKEL IN DIYARBAKIR

AT UZUMLU on Turkey's border with Iraq a sharp bend in the dirt road where food lorries have to reverse before they can get round become a strategic spot for ambushes by hungry bands of refugees. A week ago in Uzunlu rival gangs of Kurdish youths brandished blades in a fight over 1,000 pairs of plastic shoes.

When Mrs Lynda Chalker, the British minister for over-

seas development, visited this mountainous region last week she was concerned how the refugees would organise themselves. The mob scenes when her helicopter delivering food and medicines arrived at the top of Isikveren camp were described as "frightening".

The largest of the Isikveren encampments is a rectangular field of dirt not all that different from a football pitch.



Saddam in control envoy says

New York — Eric Sui, a United Nations envoy who has just returned from Baghdad said yesterday President Saddam Hussein remained firmly in control of Iraq (James Bone writes). The Belgian diplomat who toured Iraq to report on the Kurdish plight, said Saddam's power "looks to be well in place in all Iraqi cities".

His remarks on Belgian radio bear out the Central Intelligence Agency's recent assessment that Saddam remains in charge despite the rebellions in the Kurdish north and Shia south of Iraq.

UK effort

London — Douglas Hogg, the junior minister at the Foreign Office, yesterday met a group of Iraqi opposition leaders to discuss British commitment to the establishment of safe havens. The meeting took place on the eve of talks in Geneva where he will urge the UN to make greater efforts to co-ordinate the relief effort.

Tokyo flotilla

Tokyo — The Japanese government has agreed in principle to send minesweepers to the Gulf, a plan which if realised, will be the first overseas operation of Japanese naval vessels since the second world war.

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CYPRUS

Denktas offer boosts hopes of deal

By DAVID WAITS, DIPLOMATIC CORRESPONDENT

HOPES for a Cyprus settlement are rising as Greeks and Turks look for endorsement of their causes in the new era of respect for international rule of law engendered by the war to liberate Kuwait.

Spurred on by a meeting with James Baker, the American Secretary of State, the Turkish Cypriot president, Rauf Denktas, is offering a goodwill gesture to restore momentum to the search for a solution to the island's festering problems. Allied to this new American interest and the feeling that an increasingly confident Turkey might feel strong enough to make a gesture is

the declared intent of the United Nations secretary-general, Javier Pérez de Cuellar, to find a solution to Cypriot problems by the end of his term of office this year.

In return for a re-examination of the embargoes placed on Turkish ports and airports in the north, Mr Denktas suggests that Turks and Greeks should set up a joint company to revive Varosha, the Greek quarter of the once lively tourist town of Famagusta. Today Varosha is a ghost town where empty hotels stand as a stark reminder of the effect of the confrontation.

In London on his way back from Washington, Mr

Denktas also called for a military freeze on the island and accused the Greeks of a substantial military build-up since 1989. There are about 29,500 Turkish troops in the north of the island and some 11,000 Greek national guards in the south.

Also in the Turkish package on offer are a non-aggression pact and a gradual breaking down of travel restrictions between the two halves of the divided island.

But if Mr Denktas was encouraged by his first meeting at such a high level with the American administration he is less than pleased that Britain is not taking a more active role as one of the

island's guarantor powers. "Apparently it's a question of timing," said a Turkish Cypriot diplomat. "What do they mean by that, I don't know. This was their chance."

Mr Denktas said: "Maybe Mr Baker saw me because of Mr Ozal (the Turkish president) but it's also to give a message that equality is now being recognized. It is a shift in recognition of the problem and it recognizes UN Resolution No 649 as the solution."

Resolution 649 calls for the two sides to establish a draft outline agreement and ultimately to set up a bi-communal federation.



Denktas: suggestion of joint tourism venture

Extra urge S new give g

John R. ...

ISRAELI ...

De Klerk seeks help from Major

PRESIDENT ...

JOHANNESBURG: The ...

Flic-free zones ...

Desert throng ...

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From REUTER ...

A FORMER ...

Geoff Muntz, aged 52, was ...

BAKER MISSION

Extremists urge Shamir never to give ground

FROM RICHARD BRESTON IN JERUSALEM

ISRAELI right-wing extremists yesterday put pressure on the country's leadership not to make any concessions to James Baker, the American Secretary of State, when he arrives in Jerusalem tonight.

Mr Baker, who left Israel on Saturday, returns for what could be decisive talks with Yitzhak Shamir, the prime minister, David Levy, the foreign minister, and Moshe Arens, the defence minister. In particular, the visiting Secretary of State is expected to brief the Israeli leadership on the outcome of his shuttle diplomacy through the Arab

world over the past four days and to receive Israel's response to his requests that the leadership shows more flexibility in its approach to negotiating with its Arab neighbours and the Palestinians.

Yesterday, anticipating a compromise, members of Mr Shamir's Likud party and some coalition partners called on him not to go back on his refusal to return territory occupied in the 1967 six-day war.

In addition, the right-wing members of the Knesset asked the government to increase its support for Jewish settlers on the West Bank, whose controversial opening of a new settlement last week caused Mr Baker acute embarrassment and anger.

Yesterday, the extremist "settlers' movement, Gush Emunim," confirmed reports that it is preparing to open two additional sites on the West Bank, for which it has already received government approval. "What we do with our settlements has nothing to do with Mr Baker or anyone else," said the organisation's spokesman, Noam Arnon.

Although political analysts believe that the right-wing does not pose a big threat to Mr Shamir's leadership, not least because of his own sound right-wing credentials, they nonetheless do not discount the damaging impact that these sabotage tactics could have on Mr Baker's initiative, particularly in his attempt to win Arab support and confidence for his plan to hold a regional peace conference.

Yesterday two Palestinian gunmen were killed in a shoot-out with border troops inside Israel, the defence force said.



Mother's choice: Harumi Kitanuma, with her son, Yutaka, behind her, waving to supporters after her election as Japan's first woman mayor at Ashiya in the southern prefecture of Hyogo. Mrs Kitanuma, aged 62, a law graduate, ran as an independent and soundly defeated the

incumbent, Kenzo Yamazawa, aged 69, of the ruling Liberal Democratic Party (Joanna Pitman writes). Her campaign was based on increasing the local government education budget. An official at the city's mayoral office said: "Mothers' power won the race for Mrs Kitanuma."

Shuttle mission to aid Star Wars progress

By Nick Nuttall, Technology Correspondent

THE shuttle, Discovery, is due to blast off today from the Kennedy space centre on one of its most complicated missions. It will carry a battery of intricate experiments to support research into America's Strategic Defence Initiative.

During the eight-day programme instruments will study rocket exhausts and fuels against the shifting backdrop of Earth and space. There will also be experiments to help to study the glow of the Earth's atmosphere, seasonal auroral effects and the heat and light patterns which form around the tail of the shuttle as

it brushes the upper atmosphere.

The mission is intended to help engineers to design sensors which can be fitted on to spacecraft and ground stations to spot high-flying enemy missiles coming over the horizon.

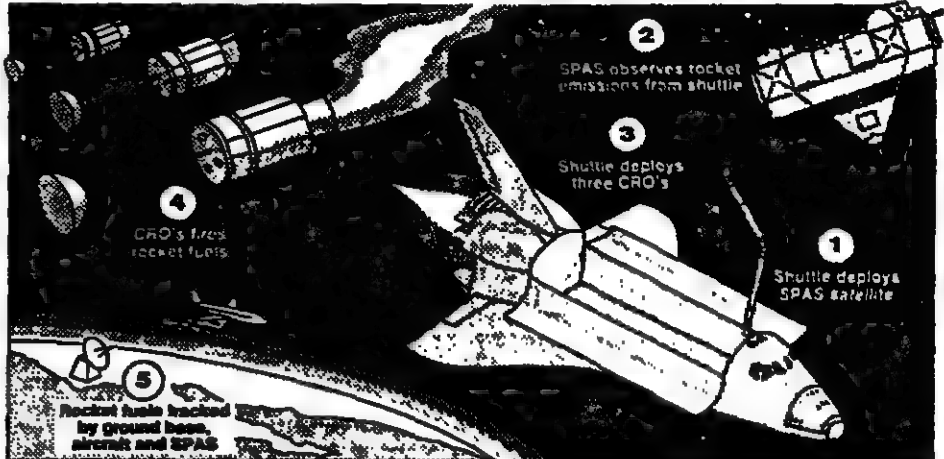
The seven-man crew plan to fire Discovery's rocket motors more than 200 times to mimic those of a ballistic missile. These will be observed by the SPAS-2 satellite, which will be deployed on the second day.

Three mini-satellites, chemical release observation (CRO) craft, will discharge

liquid rocket fuels whose vapour clouds will be tracked by the SPAS-2 satellite, aircraft and scientists at Vandenberg air force base in California.

Discovery is set for launch just after lunchtime in Britain. Weather forecasters issued a warning that conditions were expected to be stormy, which may delay the mission till later in the week.

However, late yesterday conditions improved and last night teams were loading more than half a million gallons of liquid oxygen and hydrogen into Discovery in preparation for lift-off.



De Klerk seeks help from Major

PRESIDENT de Klerk of South Africa was due to meet John Major last night over a working dinner (David Watts writes). He was expected to urge the prime minister to try to persuade the American Congress and administration of the real progress in the dismantling of apartheid.

Mr Major is likely to praise South Africa's efforts in that direction so far and encourage further movement. President de Klerk finds a ready ally in Mr Major in his attempts to have full sporting links restored between South Africa and the rest of the world in time for the Madrid Olympics next year.

JOHANNESBURG: The African National Congress and Johannesburg city council are trading insults over plans to bestow the freedom of South Africa's largest city on Margaret Thatcher to thank her for years of opposition to full-scale economic sanctions (Ray Kennedy writes). Ronnie Mamoepa, an ANC spokesman, said his organisation would disrupt her visit: "Mrs Thatcher supported the regime and stifled our attempts to isolate it, while our children, mothers, brothers and sisters were being maimed and killed by apartheid."

Flic-free zones

Paris - Traffic police have gone on strike in the French provinces sticking protest leaflets instead of parking tickets on windshields. Police-men said they would not book petty offenders during the three-day pay protest, but would arrest those responsible for serious offences, such as drunken driving. (Reuters)

Desert throng

Niamey - The trial of 44 Tuaregs on state security charges at Kollo, Niger, was postponed when hundreds of students protested that the court was too small. The official news agency did not say if the women's trial would move to larger premises. (AFP)

KUWAIT

Lights go out on opposition

FROM JAMIE DEITMER IN KUWAIT CITY

KUWAIT's royal family yesterday assured James Baker, the American Secretary of State, that human rights abuses in the emirate had ceased. Mr Baker had earlier criticised the Kuwaiti government for violating human rights since liberation.

But as he was speaking at Jeddah airport, Kuwaiti government officials prevented the seven main opposition factions in the country from holding a press conference. Officials from the information ministry turned off the lights of the ballroom at the International Hotel yesterday morning and locked out reporters, claiming the room had not been booked.

After Mr Baker's two-hour meeting here with the Emir and crown prince, he said he had received assurances about the human rights situation in Kuwait and about the expansion of democracy.

Former minister of prisons behind bars

FROM REUTERS IN BRISBANE

A FORMER prisons minister in the Australian state of Queensland found himself on the other side of the bars yesterday when he was imprisoned for a year for misappropriating expenses.

Geoff Muntz, aged 52, was



Dress rehearsal: Muntz in a tourism promotion

the fourth member of the now-disgraced government of former premier Sir Joh Bjelke-Petersen to be jailed. He was found guilty of 19 counts of misusing nearly \$Aus5,000

(£2,300) of ministerial expenses over a four-year period. Judge Frederick McGuire said Muntz's jailing was "the ultimate humiliation and the supreme irony".

Two more ex-ministers still face trial on similar charges, and Sir Terence Lewis, a former police commissioner, is currently in court over claims that he accepted bribes during a nine-year period.

Muntz's defence argued against a jail sentence on the ground that there were fears for his safety in prison after a local newspaper published a 1987 photograph of him wearing prison stripes and swinging a ball and chain.

The judge criticised the media and agreed the photograph, which was promoting a tourist attraction, ridiculed the former minister. But he said that all who applied to and attained high office and were responsible for spending public money must ensure "that these monies are expended on public purposes and not diverted to private ends". Muntz was ordered to repay the misappropriated money within six months.

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One in the neck for self-expression

The tie is a ridiculous garment, devoid of function, yet apparently so weighted down with social and cultural significance that it is a wonder the wearer can hold his head up. If anything symbolises the gulf between the sexes, not to mention the classes, it is that piece of fabric knotted so crucially into Windsor or half-Windsor style around the neck. For ties speak a language audible only to men. A woman, confronted by the massed ranks of Jacquard silk in Liberty or Harrods, will head straight for the loudest polka dots, the brightest flowers, the "wittiest" Moschino. Women, confirms the dapper young man in bow tie behind the Liberty counter, generally buy the more spectacular designs. Most of the men who buy their own ties there are in the 25-35 age bracket "who probably got promoted in a Next suit, moved on to Paul Smith and want a tie that will mark them out as different".

Paul Keers, the author of *A Gentleman's Wardrobe* (Weidenfeld) and a former editor of the men's magazine *GQ*, explains the language of neckwear. "Because the tie itself is unnecessary, it is an indication of a lot of things that may not be necessary but which you would like to feel are present in a professional man. You assume, for example, that he is honest and principled. If someone is prepared to make the effort to wear a tie then he is probably prepared to make the effort to behave in a gentlemanly way."

"The tie maintains a certain standard — it becomes a code for other things. When you're wearing a tie every day and everyone around you is wearing one you become very aware of the differences — a bit like school uniform

Men have always been impulsive when it comes to their neckwear. Dinah Hall looks at one of the few outlets for male individualists



Ancestors of the tie: neckwear from the 16th (left) and 18th centuries

which everyone found their own way to customise. A tie tells you so much about someone — the money they spent on it, where they bought it, what school they went to...

There will, however, always be people who bluff the signals. The social psychologist Guy Fielding — described as the psychological expert on neckwear in a recent book, *The Tie*, by Sarah Gibbins (Studio Editions) — points out: "People are trying to present an image of themselves as the kind of person they want to be, or the kind of person they want to be taken to be."

The tie represents the outbreak of personality in the anonymous ranks of suits. "Think of the way people conduct their social lives, performing a balancing act between conforming (wanting to be like everyone else) and differentiating (wanting to be different from everyone else). You're only to watch the 8.45 at Waterloo emptying out large numbers of

men who are incredibly conformist in their appearance — the tie offers them their only opportunity to be different."

In the book he speculates that the tie has become a status symbol throughout the world because it shows "that you don't have to do manual work. It's not sensible to wear a tie if you live in a hot climate either, but men still do so. It shows other people that they have occupations where they don't have to sweat and strain."

Dr Fielding draws the line, however, at matching designs to psychological profiles, as in the wonderfully nonsensical idea attributed to Freud that men are answering to the call of virility when they choose a paisley tie, because of the pattern's supposed resemblance to sperm. "You might as well say," he says, "that men wear the Harrow tie because the crest bears a similarity to... fallopian tubes."

The diagonal stripe, with its association with schools and clubs, is worn by those keen to present a serious, dignified image — Neil Kinnock could be spotted wearing them shortly after he changed from brown to grey suits.

But the diagonal stripe has also been a popular fashion tie recently: so to prove he is wearing a Gieves & Hawkes heavy dusty madder silk (the most expensive tie fabric available) and not polyester, the tie connoisseur will wear his slightly puffed out below the Windsor knot: lighter, cheaper fabrics won't perform like this, they tend to flop straight against the chest.

An exhibition of ties is to be held at Liberty from May 6 to 30, which includes the work of various celebrities who have designed or customised ties to be auctioned next month to raise money for the London Lighthouse, the AIDS charity. Contributions vary from an exquisite tie embroidered with daisies and bumble bees by the actress Cheryl Campbell to a quirky "Dogs in Sunglasses" creation by the comedian Alexei Sayle. The exhibition also traces the history of male neckwear from its beginnings in the 16th century as a frothy lace cravat to the "designer" tie of today.

Put in context, the £48 Moschino or Byblos tie does not seem quite so excessive when you learn that James II paid £36 10s for the Venetian lace cravat he wore at his coronation in 1685. Men, it seems, have always been impulsive, irrational creatures when it comes to their neckwear: Samuel Pepys bought an imported lace cravat in 1663, paying about 20 shillings more than he had intended, "but when I came to see them I was resolved to buy one worth wearing with credit".



Harking back to the Sixties: Paoli blue and white print silk tie, £45, available from Browns, 23-27 South Molton Street, W1

Just the right ticket

WHEN is a public lavatory no longer a convenience? When the architectural practice using it as office space has trebled in size.

The Victorian public lavatories on the corner of Fulham Palace Road's recreation ground in southwest London, known as The Old Conveniences, were transformed into an architect's studio five years ago. Now, the need for more space and light has tempted Paul Brookes Associates, known for its sensitive conservation work, to refurbish another curious building — the old ticket office at Barnes Bridge railway station.

No objections to its planning application have been received, according to a council spokesman for Richmond's planning department, and the final decision will be made at the end of May.

Since the conversion, The Old Conveniences have been listed as a "building of townscape merit" by



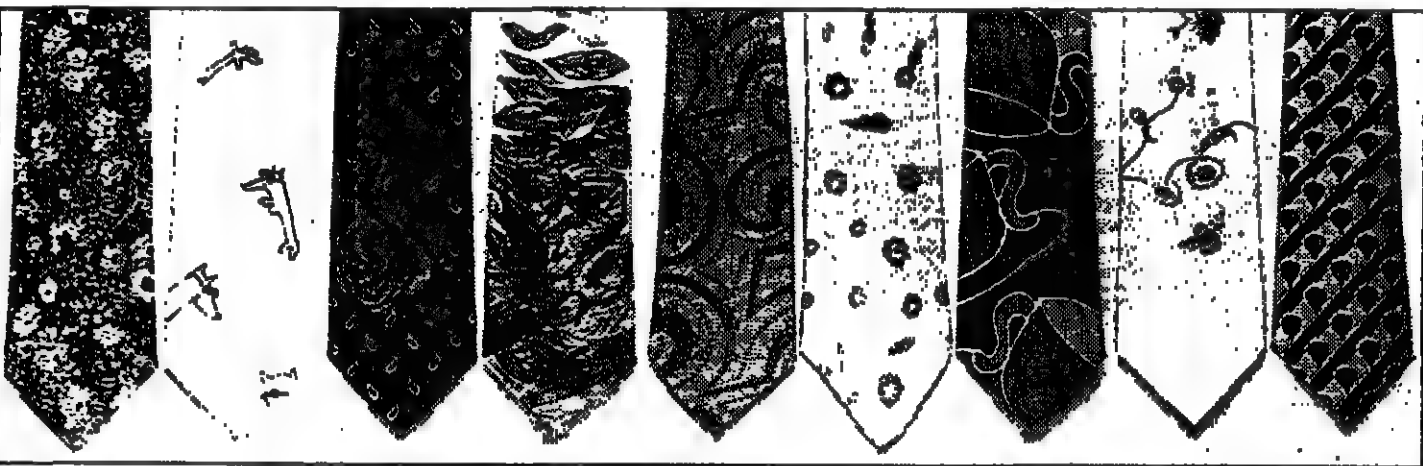
Paul Brookes at his convenience

the council. The office is open plan except for a candy-striped boardroom. "We linked the Gents and Ladies with a mezzanine floor and installed an open steel staircase, which gives it a nautical flavour," Mr Brookes says. He hopes to sell the freehold for about £200,000.

The old ticket office has a huge top-lit space with glazed rooflights, and Mr Brookes intends to build a mezzanine level in the booking hall. He is excited by the prospect of leasing from British Rail a 60ft long tunnel under the railway line to use as an archive.

Richard Marks, of British Rail's Property Board, is delighted with the Brookes proposal. "Machines issue tickets these days, so we have about 800 similar buildings all over Britain which have become redundant. Many are listed as part of our railway heritage," BR welcomes suggestions from private entrepreneurs for their use.

NICOLE SWENGLEY
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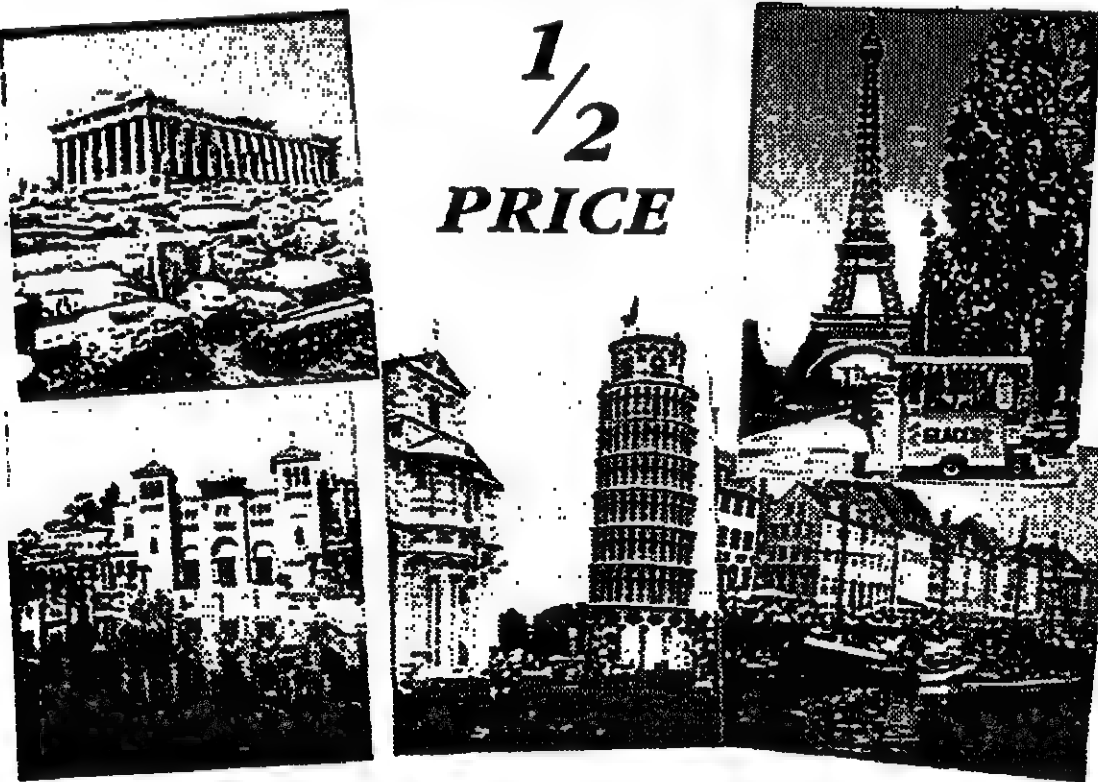
Anything but dull: Liberty cotton print, £13.95; Alexei Sayle celebrity tie, Kenzo paisley with roses, £39.95; Liam Neeson celebrity tie; Paul Smith swirls, £36; Georgina von Etzdorf seashells, £35; Liberty hand-painted teacups, £35; Cheryl Campbell celebrity tie; Hermès balloons, £56

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Pulling into the big cheese

The architects of a new car-park tried a different route and drove into controversy

CHICHESTER'S new state-of-the-art car-park has stirred up considerable local controversy. Soubriquets such as "monster bridge" have appeared in the local press and the design has been likened to a slab of red Leicester cheese.

Mike Russum, of Birds Porchmouth Russum Architects, which designed the car-park, believes his practice has created "the first car-park that addresses its urban context. It screens some very ugly buildings on the south side and like Chichester's medieval city walls, it defines the city."

"Car-parks are one of the unsolved building design problems of the late 20th

century — I've never been to a good multi-storey car-park — but they are also one of the few areas of expansion in public building."

The practice submitted its design in an open architectural competition organised by Chichester District Council and the Royal Institute of British Architects (RIBA). The brief invited a new approach to car-park design worthy of a site located at the entrance to Chichester in a conservation area less than a quarter of a mile from the historic cathedral.

What the architects have done is to create a three-tier car-park, with 900 spaces linked to a high-level walkway which bridges a dual carriageway at the southern edge of the city, and then descends to reach its medieval counterpart.

The brief also required that the car-park be convenient and safe for users. In addressing this problem, the architects have created a series of pedestrian aisles inside the car-park. Traffic circulation loops around the aisles so, having parked, a visitor can

walk safely along colour-coded and well-lit passageways towards a circular stair tower which gives access to the wall walk at first floor level.

Visitors who cannot remember where they left their cars will be prompted by the colour-coding — yellow, red, green or blue — applied to ceilings, columns and tower

interiors. A system of pedestrian ramps at the city end of the wall walk extends to all levels, enabling visitors with prams and trolleys to have direct access to each car parking space. A parking area for the disabled is located nearest to the town centre, away from the main vehicular circulation. The car-park may be given a wider function: it is hoped that open-air concerts will be held on the roof.

N.S.

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The duck and dragon in this delightful tapestry by Lucinda Ganderton are a rich mixture of dark and pale greens, oatmeal, lilac, pale blue, cream, peach, biscuit, strawberry red and a deep mahogany brown. Surrounded by lilies and reeds they are set on a cream background and the whole design is framed in a decorative chevron border reminiscent of feathers.

Measuring 18 1/2 in x 14 1/2 in the design is printed in full colour on 10 holes to the inch canvas. It is suitable either as a large cushion or as a picture. Worked in half-cross or tent stitch enough wool from the Rowan range is provided to complete the tapestry in either. The kit comes complete with canvas, wool, needle and instruction leaflet. All for £28.50 including post and packing. When ordering use FREEPOST — no stamp needed.

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CLASSICAL MUSIC

A Peter who never conquered the wolf

We can tell quite a lot about our responses to a composer by the ease with which the name goes into an adjectival form. "Stravinskian", "Scriabin-like", "Rachmaninov-like", for instance, all bring something distinct to mind: a quality of detachment, a rapture of harmony, the breaking wave of a melodic line. But what on earth is Prokofievish?

It could be the bitter-sweet lyricism that comes out in the two violin concertos, and in *Romeo and Juliet*. Or it could be the strident, hammering drive of the Second Symphony. Equally it could be the edgy, sarcastic tone so frequent in the piano music, or the emphatic heroism of the Fifth Symphony, or the mad whirl of *The Love for Three Oranges*.

Variety on this scale could be evidence of creative supremacy, the confidence to tackle anything, as it is with Stravinsky. But Prokofiev's irony is a good deal less secure in place, and the composer he more resembles in his multiplicity of manners, his uncertainty of tone and his concomitant lack of self-criticism in Liszt. Both were masters of the

Did Stalin smother Prokofiev's genius? The truth is more complex, argues Paul Griffiths on the centenary of the composer's birth

Mephistophelian scherzo, the *dance macabre* of mask and self.

Like Liszt, Prokofiev came to nail his colours, for reasons that remain ambiguous, to the mast of a monolithic authority: Stalin's Russia was his Vatican. As with Liszt, too, the multifariousness of his output mocks the very concept of creative individuality. And in both cases the reaction of posterity has been to accept only a selection of works as representing the "real" composer.

Of Prokofiev's seven symphonies, for instance, only the First and the Fifth are played with any frequency. Of his five piano concertos, the Second and Third are far more often performed than the others. Among the operas, *The Gambler*, *The Love for Three Oranges* and *War and Peace* all turn up regularly; within the last decade we have had two outstanding productions of *Oranges*, by Glyndebourne and Opera North.

But nobody seems keen to present *Semyon Kochko* or *The Story of a Real Man*.

One easily-reached conclusion is that Prokofiev's Soviet output is disfigured by works that he was obliged to write. Those works include, no doubt, such cantatas as *Flourish, Mighty Homeland!* and *Hail to Stalin*.

But from long before his return to Russia there was (or at least there now seems to have been) a sense of compulsion behind his music, a forcing. It was as if the role of the *enfant terrible*, which he had played as a prodigiously gifted student at the St Petersburg Conservatory in the decade before the first world war, was one that he could not shake off. He had to invent necessities, it seems, even before they were thrust on him by socialist realism: the necessity to be aggressively modern in the

Syrian Suite and the Second Symphony (both played this last weekend, when suddenly Prokofiev was inescapable on the South Bank), or the necessity to be handsomely restorative in the Classical Symphony.

This readiness to work to command, even aesthetic command, was perhaps what made Prokofiev so successful in the composition of film music, particularly for Eisenstein: a minor genre, maybe, but one in which his achievement is unrivalled, except possibly by Walton, whose creative makeup was not dissimilar, and who certainly learned from him. Another perilous and marginal field in which Prokofiev produced one of the rare triumphs was that of children's music, with *Peter and the Wolf*.

Otherwise history has tended to smile rather on composers who seized on compulsion with ironic delight, like Stravinsky, or who by subterfuge and sabotage rebelled, like Shostakovich. The emphatic "no" one hears in Shostakovich, against the optimism and triumphalism expected of him, is much less easy to detect in Prokofiev who, however much he suffered personally and creatively under



Composer Sergei Prokofiev (1891-1953): master of the *dance macabre* between mask and self

Stalin, registered little objection within his music, unless passively in the weariness of his last years.

Since any more active protest could only have been presented under wraps — as in the anxiety and awfulness that subtended Shostakovich's most tub-thumping finales — this is less a question of courage than of artistic self-confidence.

That is what Prokofiev lacked, and that is what, a century after

Romanticism, we still seem to require of artists: the ability to impose a new style, a new view, a new sound. Prokofiev was closer in nature to the Baroque composer: possessed of skills which he could tailor to whatever task was required of him, accepting his place within a tradition, and yet also acting as an intermediary between different musical cultures. The music he wrote in his twenties and thirties, carrying

between Russia and France, influenced composers in both countries and beyond, Shostakovich included.

But that was a temporary function. In the longer term Prokofiev's music — other than that part of it which has, on grounds that are not altogether clear, become regarded as canonical — seems on the way to auto-destruction.

Arts reviews, page 18

CANNES FILM FESTIVAL

Harlem reels as Roman rules

THE choice of Roman Polanski as this year's president of the Cannes Film Festival jury is likely to provoke strong reactions. Polanski has for many years been exiled from America, where he once made his home, because of an unresolved case involving charges of sexual offences. Extradition agreements have also discouraged him from entering Britain during this period.

Polanski and his colleagues will have no fewer than five American films to judge — one third of the competition entries just announced in Paris. Two are by black directors. Spike Lee's *Jungle Fever* is an interracial romance, starring Annabella Sciorra and Wesley Snipes. The actor Bill Duke makes his directorial debut with an adaptation of Chester Himes's *Rage in Harlem*, with an all-star black cast.

Yet another black director, John Singleton, features in the non-competitive section with *Boyz n the Hood*, about Los Angeles street life. This presence reflects the dramatic rise of black talent in Hollywood. Thirteen films by black directors and 20 more featuring black stars are due for American release in 1991.

No less striking is the anticipated prominence of Soviet films. One of the most intriguing of the titles in competition is *The Assassin of*

the Tsar, by a woman director, Karen Chakhazurov. But the outstanding event of the festival will be the premiere of a new film by the great Akira Kurosawa, *Ran*, set in the 16th century. Now 81, Kurosawa first opened up the Japanese cinema to the world 40 years ago. In the early Seventies his career seemed over, but it has dramatically revived in the last decade with *The Shadow Warrior*, *Ran* and *Dreams*.

Other well-known directors in Cannes are the Italian Pupi Avati, with *Stic*, a biopic of the great jazz cornetist Bix Beiderbecke; Krzysztof Kieslowski (director of *The Ten Commandments*) with *The Double Life of Veronica*; and the playwright/director David Mamet with *Nomicide*.

The lean state of current British cinema is reflected by the absence of any British film in the programme so far announced. Peter Greenaway is, however, working against time to complete *Prospero's Books* for last-minute entry. Sir John Gielgud stars in this version of *The Tempest*.

At least Britain will contribute a member of Polanski's jury: the director Alan Parker. Other jury members include Whoopi Goldberg, the film composer Vangelis and the director of *Cyrano de Bergerac*, Jean-Paul Rappeneau.

DAVID ROBINSON

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2. *Chlorophyll b* (Chl *b*)
3. *Carotenoids*

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W. W. Welch
Inmate

(Overture,
Symphony No 38
1904). John
John of Kansas)

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● FOCUS: WHICH? COMPUTER SHOW 30-32
● LAW 34-35
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Tesco pays chairman almost £1.5m

SIR Ian MacLaurin, chairman of Tesco, was paid almost £1.5 million in the last financial year, the report and accounts reveal. His £390,000 salary was topped up with performance-related incentive payments of £1.09 million.

Last time Sir Ian earned £345,000. Other Tesco directors had similar pay rises in the year to February 23, as a result of the incentive payments scheme, linked to earnings per share growth and introduced in 1987, because the first payments under the scheme, covering all three financial years to February 1990, were only made during the latest financial year.

Next year, Sir Ian and the rest of the board will receive only one year's performance-related bonus.

The total amount for six of the eight executive directors has already been set at £1.8 million for the 1990-91 financial year, on top of their normal salaries.

Earnings per share grew from 7.81p in 1986-87 to 13.35p in 1989-90. Last year, Tesco's pre-tax profits rose 20 per cent to £436 million.

Dow falls

The Dow Jones industrial average was 39.6 points lower at 2,925.99 on Wall Street at lunchtime as the market continued to correct after its earlier rally through the 3,000 barrier. As well as profit-taking, analysts blamed the authorities' continuing reluctance to cut interest rates.

Debts cost £4m

Bad debts cost Travis Perkins, the builders merchant, £4 million last year and were the biggest single factor behind a 38 per cent fall in pre-tax profits to £20.4 million. An unchanged final dividend of 5.5p makes 8p.

Tempos, page 23

Stake grows

Fuchs Group, the German lubricants company, spoke for 56 per cent of Century Oil's after further share purchases in the market. On Friday, Century reluctantly recommended Fuchs' increased offer of 145p a share in cash although the board insisted the improved terms still undervalued the company.

US dollar

1.6930 (-0.0320)
German mark
2.9882 (-0.0047)
Exchange Index
91.8 (-0.6)

FT 30 Share

1854.4 (-25.7)
FT-SE 100
2490.8 (-29.3)
New York Dow Jones
2929.95 (-35.64)*
Tokyo Nikkei Avg
26237.01 (-304.96)

MAJOR CHANGES

RISES:
News Corp 429p (+22p)
H Boot 577p (+25p)
Hammerman A 636p (+15p)
FALLS:
Redland 573p (-15p)
RMC Group 850p (-14p)
A McAlpine 280p (-11p)
Amec 294p (-18p)
Allied Lyons 525p (-10p)
Bees 953p (-5p)
Grand 780p (-11p)
Gastner 212p (-20p)
Fisons 474p (-12p)
BOC 571p (-10p)
Carillon 445p (-14p)
British Aerospace 614p (-10p)
Bumham Castrol 572p (-12p)
Cayman 580p (-13p)
P&O 440p (-11p)
Legal & General 447p (-18p)
Royal 447p (-18p)
Closing Prices...Page 25

INTEREST RATES

London: Bank Base 12%
3-month interbank 11% 11 1/4%
3-month eligible bills 11% 11 1/4%
US: Prime Rate 9%
Federal Funds 5 1/4%
3-month Treasury bills 5.72-5.70%
30-year bonds 8 1/2-8 5/8%

CURRENCIES

London: New York
£ \$1.6930
£ DM1.7680
£ Sfr1.4785
£ FF16.5023
£ FF16.5040
£ Yen136.35
£ Index 57.1
ECU 1.48974
ECU 1.48970
Closing Prices...Page 25

GOLD

London: Gold
AM \$356.25 pm \$356.40
close \$355.75-356.25 (\$210.25-210.75)
New York: Comex \$357.25-357.75

NORTH SEA

Brent (May) \$19.95 bbl (\$19.45)
Denotes latest trading price

RETAIL PRICES

RPI: 131.4 March (1987-100)

EC dispute casts shadow over new Toyota factory

FROM PHILIP BASSETT
IN TOKYO

TOYOTA, Japan's largest car manufacturer, has given warning that continuing disagreement over the level of Japanese car imports in the European Community threatens the further development of the company's new factory in Derbyshire.

The warning, given yesterday, will put pressure on EC member states, such as France and Italy, that want to maintain or extend restrictions on Japanese car import quotas. Toyota has not previously cast doubt on the next phase of production at its £700 million factory at Burnaston, near Derby.

The plant's shell is nearly complete, and

production of the first of a planned 100,000 1.8 litre saloon cars annually by 1995 will start in December next year. Toyota revealed yesterday that machinery development costs for the plant are currently up to 5 per cent over budget.

Toyota will decide in the next two years whether to extend that production target to take up the plant's planned capacity of 200,000 cars. Junji Numata, Toyota managing director, said the plan to increase capacity, or the timing of the increase, could have to be modified if the EC argument remained unresolved.

Mr Numata, said at Toyota City, the company's headquarters in Japan, that the British government's help was sought in the European dispute. Referring to Toyota

cars to be built in Derbyshire, he said: "What they could do is to make sure that a British-made car will have free circulation throughout Europe, with no political restrictions."

He believed France, Italy and Spain would have to drop their opposition to more Japanese cars in Europe, although he forecast that there would be no significant increase in car imports to Europe from Japan.

Toyota believed that because of poor production quality, the eastern European car industry would be hit hardest by the arrival of another Japanese volume car manufacturer in Europe. Shoichiro Toyoda, president of Toyota, said: "We are very much determined to be successful in

your [the European] market." He added that a third of the engines to be produced at Toyota's other new plant, at Shotton, north Wales, would be exported to Japan.

Nissan is to export finished cars made at its plant in Washington, Tyne & Wear, to Japan this summer, and Toyota expects to do the same when production begins. European content of the car produced in Derby will be 60 per cent initially, with half of the 100 European suppliers being British companies.

Toyota said it would meet leaders of the principal British trade unions in September, before deciding whether to recognise a union to negotiate on behalf of the plant's planned 3,000 employees, who will begin to be recruited next year. Although Toyota

is still examining the option of not recognising a union, as Honda did at its factory at Swindon, Gloucestershire, Mr Numata believed a non-union factory was a "remote possibility", unless the unions could not meet the company's desires totally. But he praised the greater moderation and flexibility now being shown by unions in Britain.

A no-strike agreement looks unlikely to be required by Toyota at Burnaston. Mr Numata said the company, in reaching a labour relations agreement, would not be trying to take advantage of Britain's economic problems. He said: "We don't want to take any hard bargaining line just because the UK economy is very bad or unemployment is very bad."

Consumers rush to beat VAT increase

Leap in retail sales sets 11-year record

By COLIN NARBROUGH, ECONOMICS CORRESPONDENT

RETAIL sales leapt 3.7 per cent last month, the biggest monthly rise for more than 11 years.

But Treasury officials were quick to stress that the provisional data were "highly distorted" by consumers rushing to beat the rise in VAT and taking advantage of extra shopping days over Easter.

City economists largely dismissed the surprise surge in volume sales, seeing it as a one-off event and finding little underlying change in consumer spending. Most said talk of a shopping recovery was premature.

Government hopes of the economy starting to recover

this summer rest on consumers regaining sufficient confidence to lead the way out of recession. But most economic pointers suggest the recession has some way to go.

The March rise in retail sales was the biggest since a 7 per cent jump in June 1979 when consumers went on a shopping spree before a near-doubling of VAT to 15 per cent.

Keith Skeoch, chief economist at James Capel, recalled that the June 1979 rise was followed in July by a 10 per cent fall. "The problem is one of stolen spending from the months ahead. The March rise will probably be more than reversed next month," he said.

In value terms, last month's

retail sales totalled £12.2 billion, up 8 per cent on March last year. The forecasts for March had centred on a volume rise of 0.5 per cent, after a seasonally adjusted 0.1 per cent fall in February. Compared with March 1990, sales were 2.0 per cent higher. The latest Confederation of British Industry survey suggested only a moderate growth in retail sales on a year-on-year basis.

Nell MacKinnon, chief economist at Yarnhill Securities, said: "The consumer has no incentive yet to go on a spending spree. The next set of figures is likely to show the March rise was just a one-off."

He said the VAT hike contained in the Budget will prove to be a "big mistake", as it will have a dampening effect on future consumer spending.

In the first quarter of this year, volume sales were 0.9 per cent up on the final 1990 quarter, but still 0.6 per cent below the first quarter last year, despite the March surge.

Reversing the pattern seen during the recession so far, all sectors showed higher sales in March, except food. Sales of household goods displayed particular strength.

Kevin Darlington, economist at UBS Phillips & Drew, said the data reflected improved consumer confidence since the end of the Gulf war and interest rate cuts. He expects consumer spending to start rising now.

However, Gerard Lyons, chief economist at DKB International, sees little to suggest a sustained recovery in consumer spending, as unemployment rises sharply and wages are squeezed.

Employment will go on falling until spring 1993, with no growth until 1994, says Business Strategies Limited.

Dollar at 16-month high against mark

By OUR ECONOMICS CORRESPONDENT

THE dollar continued its advance, reaching a 16-month high against the mark in New York, as the crushing defeat of Chancellor Helmut Kohl's Christian Democrats in German regional elections further undermined market sentiment for the mark.

Remarks from a Bundesbank official, saying the bank had no target rate exchange rate, combined with signs that the Group of Seven leading economies are in disarray over policy co-ordination to push the mark lower.

The apparent G-7 split fuelled speculation that there would be no central bank intervention to hold back the dollar before finance ministers and central bankers meet in Washington next weekend.

The mark plunged more than 3 pfennigs against the

dollar, ending in London at DM1.7660. Sterling stayed on the sidelines, gaining a little against the uncertain mark during the day, but easing back to close almost half a penny down at DM2.9881. Against the surging dollar it slumped 3.20 cents to \$1.6930. The trade-weighted sterling index was 0.6 down at 91.6.

The market largely ignored the March retail sales figure, which showed a 3.7 per cent surge, considering the data distorted. Today's trade figures should give more guidance. On the stock exchange, the FT-SE 100 index ended 29.3 points lower at 2,490.8, its lowest in three weeks.

Kohl defeat, page 23
Comment, page 23
Stock markets, page 24

Names sue Lloyd's for £5m

By OUR CITY STAFF

THIRTY-three names yesterday launched a £5 million damages action against Lloyd's of London, alleging that it had failed to protect their interests properly.

Michael Lyndon-Stanford, QC, representing 24 claimants at the High Court in London, alleged Lloyd's had failed to disclose the results of an enquiry in 1981 into the Oakley Vaughan underwriting

agency. The investigation resulted in three directors of Oakley Vaughan admitting unauthorised procedures including "bribe" - not declaring the full amount of a contract. They were suspended for two years.

Mr Lyndon-Stanford said the enquiry recommended Oakley Vaughan be sold or new directors brought in, but matters dragged on through 1982. Lloyd's never communicated the matters

they knew about Oakley Vaughan to the names, other than by a press release and a notice in a room at Lloyd's. Nor did it suspend Oakley Vaughan.

David Johnson, QC, for Lloyd's, said it had not told the names directly about Oakley Vaughan, but "Lloyd's had no reason to doubt that the names were informed by the agency." The case was adjourned until next Monday.

SIB may freeze out polarisation

By SARA MCCONNELL

THE Securities and Investments Board yesterday began a review of the British investment industry which could bring a further weakening of rules by which banks, building societies and other advisers sell financial products.

Sir David Walker, the SIB chairman, introduced a short discussion document and hinted at the dropping of the polarisation rule which forces banks and building societies to sell just one company's products or advise on many.

The review could also see the end of Fimbra, the regulator of Britain's independent financial advisers which was forced to make 40 out of 190 headquarters staff redundant earlier this year, because of financial difficulties caused by the rising costs of complying



Sir David: "one option" with the 1986 Financial Services Act and a membership falling from 12,000 to 7,000. Originally, it was hoped the building societies would be key members of the independent sector but many had become tied agents after the abolition in 1988 of the maxi-

mum commissions arrangement which had prevented them negotiating big commissions from insurers.

Sir Gordon Downey, chairman of Fimbra, pleaded in February with the trade department for a review of investment regulation. The SIB is proposing that instead of polarisation, a fundamental principle of the 1986 Act, institutions could steer a middle course, as agents of several insurance companies as in the rest of Europe.

Sir David admitted that the existing polarisation rules had led all the high street banks and building societies except the Bradford & Bingley and NatWest to tie with a single company.

He also observed that strenuous lobbying by high street financial institutions

Mahon set to report £35m loss

By GRAHAM SEARJEANT
FINANCIAL EDITOR

GUINNESS Mahon Holdings, the small merchant bank controlled by Bank of Yokohama, has written off its loan book in the face of a series of problems in client companies and is having to raise a further £50 million of capital to inject into its banking business.

Geoffrey Bell, the chairman, warned shareholders that the bank was likely to disclose a net loss of about £35 million when it reports results for the six months to end-March after making a further £30 million of provisions against loans made by Guinness Mahon, its banking subsidiary. The remaining losses stem mostly from unpaid interest.

Having paid an interim dividend of 80p a share in each of the past two years, the group is likely to pay nothing this time. Guinness Mahon shares, which reached 154p early last year, fell a further 9p to 41p yesterday, cutting the group's market valuation to £27 million.

The board has yet to complete details of the cash injection, which should be announced with results within two weeks. The Bank of Yokohama, which owns 65 per cent of the group, has backed the refinancing.

Bishopgate Trust, controlled by Robert Maxwell, owns 9 per cent and UBS Phillips & Drew, the securities house, speaks for 3 per cent.

Comment, page 23

GEC-Alsthom wins £1bn train contract

By ROSS TIEMAN, INDUSTRIAL CORRESPONDENT

A CONSORTIUM led by GEC-Alsthom has secured a £1 billion contract to supply 100 high-speed TGV train units to SNCF, the French state-owned railway operator.

The double-deck trains are capable of carrying 35 per cent more passengers than conventional single-deck units.

GEC-Alsthom is a 50-50 joint venture between the General Electric Company of Britain and Alcatel Alsthom of France. Partners in the

TGV project are ANF Industrie and De Dietrich.

The train units, comprising two power cars and eight coaches, will be assembled at the GEC Alsthom plant at Belfort, France.

The first train in an initial batch of 45 will be delivered in the summer of 1994. Full production on the trains will not be reached until the summer of 1995, when the rate should reach three trains a month.

TEENAGE Mutant Hero Turtles helped to boost Ratners Group sales at Christmas with their watches, but even they were unable to reverse the effects of the recession. Ratners' pre-tax profits fell from £122 million to £112 million on sales up 24 per cent at £1.11 billion (Gillian Bowditch writes).

After stripping out property profits and exceptional items, the group managed pre-tax profit growth of 3.5 per cent, which was in line with the City's expectations. Earnings per share fell 9.2 per cent to 23.6p, largely because of the acquisition of Kay Jewelers in America. The final dividend is 7.6p, making 10p for the full year, up 5.3 per cent.

Tempos, page 23

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T53/4

Comment, page 23

Few British jobs will overlap

AT&T may win NCR with \$7.5bn

By ROSS TIEMAN, INDUSTRIAL CORRESPONDENT

NCR, the American data processing equipment group, seems willing to recommend an increased \$7.48 billion takeover bid from American Telephone and Telegraph.

AT&T confirmed it was prepared to lift its initial \$90 a share paper offer to \$110 after weekend talks. But NCR appeared yesterday to be seeking an undertaking from AT&T that the value of the bid would be insulated from market fluctuations.

An NCR spokesman said: "We're asking for reasonable assurance from AT&T that they would provide NCR shareholders with \$110 in value at the time of the closing." He said Chuck Exley, NCR's chairman, "would be prepared to recommend the transaction to the board."

AT&T launched its bid for America's fifth largest computer company four months ago after failing to make the impact it sought by developing its own machines.

Both bidder and target have substantial operations in the United Kingdom. However, it appears that overlap between operations here may be relatively limited.

AT&T's largest British activity is AT&T Intel, a systems

house which also specialises in providing private data networks. NCR has 55,000 workers. Of those, 8,600 are in continental Europe. Most are engaged in sales and marketing, but about 1,000 are employed at Augsburg, near Munich, Germany, making desktop computers.

NCR has 3,600 employees in Britain. Dundee, Tyneside, is the world centre of NCR's development and manufacture of automated teller machines (ATMs) for banks and financial companies.

The Dundee plant and a subsidiary operation at Dunfermline, Fife, together employ 1,400 people.

Thanks to the success of the Dundee plant, NCR is world market leader in ATMs. In 1990 it made 51 per cent of ATMs installed, and 75 per cent of those installed in Britain. Even NCR's American ATM sales are sourced from Britain.

NCR employs another 2,200 in its United Kingdom sales and marketing operation. It sells cheque sorting machines and electronic point of sale machines.

Turnover of NCR activities in Britain last year was £335 million, generating an operating profit of £53.6 million.

Europa becomes victim of recession

By ROBERT RODWELL

BELFAST'S Europa Hotel, which has survived a number of bomb attempts over the past 20 years, has become a victim of high interest rates and the recession.

Stoy Hayward, the accountant, was yesterday appointed receiver to Emerald Hotels, the Ulster company that also runs the Lancaster Gate hotel in London's Bayswater, two hotels in Londonderry, and hotels in County Donegal in the Republic of Ireland and Calgary in Canada.

Emerald was formed in 1981 when it purchased the Europa from Grand Metropolitan. Two years ago, it bought the Lancaster Gate hotel in an £11.5 million deal. Emerald borrowed heavily, however, to fund its expansion and to complete extensions of the public function rooms at the Europa.

A spokesman for the receiver said high interest rates and difficult trading conditions in the United Kingdom's hotel industry meant that Emerald was unable to meet loan repayments.

The spokesman stressed, however, that all the group's hotels would continue to operate normally and bookings would be honoured.

Emerald's associated companies, which mainly include the operation of mobile catering units and running bars and restaurants, will also come under the receiver's control.

Emerald has debts of £23 million.



Minifortune cookery: Debbie Fields, the firm's founder

Fields' shares crumble

SHARES in Mrs Fields, the cookery company, crumbled from 15p to 11p as the company gave warning that it expected to report a net loss for 1990, when preliminary figures are available towards the end of next month.

Mrs Fields, brought to the London stock market by

Debbie Fields, its founder, in 1986, reported a \$2.6 million loss for the first half of last year, when borrowings were £71 million, or twice shareholders' funds. For all of 1989, Mrs Fields made a pre-tax profit of \$1.5 million. At one point in 1987, the shares were changing hands at 274p.

Receivers appointed at Cronite offshoots

By MARTIN BARROW

RECEIVERS have been appointed to two subsidiaries of Cronite, the alloy and metals processor, after an investigation into suspected irregularities in management accounts.

Cronite Alloys and Altes were placed into receivership after Arthur Andersen, the auditor, filed a report on the subsidiaries' financial position. Cronite also announced plans to close or dispose of Cronite Hy-Tech Machining and North American Cronite.

The Arthur Andersen report concluded that the Alloys management had accounted for income of £400,000 that subsequently failed to materialise and overstated stock values by £500,000. Trading difficulties at Altes were exacerbated by misappropriations of stock, according to Cronite.

In the 12 months to end-September last, Cronite earned pre-tax profits of £1.22 million. Reviewed accounts for the five months to end-February, based on the report, reveal pre-tax losses of £2.18 million and extraordinary charges of £1.18 million in closure costs. Continuing businesses earned profits of £262,000, but there will be no interim dividend.

Jim Butler, chairman of Cronite, said the enquiry was undertaken with the support of the group's bankers, who continued to make available facilities of up to a maximum of £2.2 million.

Cronite shares, resumed trading at 20p.

BUSINESS ROUNDOFF

Greggs buys London shops and bakery

GREGGS, the Tyneside-based retail baker strongest in Scotland and the North of England, is expanding further into London by acquiring 12 shops and one bakery in Enfield from the receivers of Hibberds. Greggs has also agreed to buy a 2.5 acre site to build a bakery to supply its expanding chain in the area. A total of £3 million will be invested in the London operation over the next 18 months.

Before the acquisition of Hibberds, Greggs had 34 shops in Enfield and four in South London. Nationwide, the company has 458 outlets.

Orders grow at Siemens

SIEMENS, the German electronics group, said incoming orders rose 15 per cent in the six months to end-September. Net profits were DM793 million (DM749 million).

About half the rise in orders was due to the first-time consolidation of Siemens Nixdorf Informationssysteme and Plessey. Group sales were up 9 per cent to DM33.1 billion.

Banesto slips 17% to £70m

BANCO Español de Crédito, (Banesto), the Spanish bank, reported a 17 per cent drop in 1991 first-quarter after-tax profit, excluding its industrial subsidiaries, to 12,999 billion pesetas (£70 million). Gross operating profit rose 12.5 per cent to Ptas19.33 billion. The reduction followed a 64 per cent fall in net income after the sale of Valenciana de Cementos.

Ramco pays dividend

RAMCO Oil Services is returning to the dividend list after five years, with a single payment of 2p a share for 1990 after reporting annual profits before tax of £1.13 million, up from £942,000. Earnings were 3.96p a share, compared with 3.86p.

Turnover was unchanged at £4.78 million. Pre-tax profits included a maiden contribution of £153,000 from the company's 50 per cent stake in Ramco Carlson, which returned to profit after undertaking pipeline coating contracts for Petrofina and Shell. A joint venture was established with Almetevsk Electric Submersible Pump Plant to distribute Soviet-built Alnas pumps in Europe.

Kingston at £500,000

NET profits at Kingston Oil and Gas in 1990 were £501,399, compared with £624,000 in the 18 months to the end of 1989. Earnings were 4.86p a share, against 7.07p. A final dividend of 1p makes 1.56p for the year, compared with 1.66p. Results included a four month contribution from Orco Fuels, a recovered fuels specialise, bought for £4.5 million.

Trust asset value rises

THE net asset value at Clydesdale Investment Trust, which now specialises in smaller companies, increased 3.5 per cent to 95p (91.8p) in the six months to end-March. Pre-tax revenue was £192,000 (£258,000). Total income was £295,000 (£369,000). Earnings per share slipped from 1.39p to 1.07p. The interim dividend is maintained at 1p.

Burnfield profits cool

BURNFIELD, the specialist heating group, formerly Isopad International, saw pre-tax profits fall to £1.41 million in the 11 months to end-December, against £2.06 million in the 12-month period to end-January 1990. Turnover fell from £17 million to £15.3 million. Basic earnings per share slid to 7.5p (10.9p), while fully diluted earnings fell to 7p (9.5p). The final dividend is maintained at 3.85p, making an unchanged total of 5.5p for the year.

An exceptional debit of £701,000 relates to unpaid invoices and the termination of an overseas distribution agreement. Reorganisation costs brought an extraordinary debit of £3.06 million. New management has cut staff and costs.

Licence race may alter air industry

By HARVEY ELLIOTT, AIR CORRESPONDENT

THE shape of much of Britain's aviation industry will be decided over the next few weeks at a series of licence hearings that will challenge the government's competition policy.

The collapse of Air Europe, which enjoyed a dominant position at Gatwick airport, has created opportunities for smaller rivals to expand, and for new airlines to be created.

Dan-Air, which is leading the race to take over the former Air Europe licences, will request sole rights to fly to ten European cities when it makes its case to the Civil Aviation Authority.

David James, chairman of Davies & Newman, Dan-Air's parent company, said: "The policy of this country has been to encourage open competition wherever possible in line with our national perception of a free market economy."

In the main, this is a good thing, except where it results in mutually destructive competition, which effectively prevents any one company achieving financial stability.

Mr James claims the battle for passengers between Air Europe and Dan-Air inevitably led to one of them going out of business. He is determined to ensure that Dan-Air, which came within 24 hours of liquidation itself at the end of last year, does not find itself in the same position again.

Each of his airline's applications for licences to fly to European cities has been challenged by at least two other airlines. The contest will call into question the strategy of pitching at least two airlines against each other on any one route to force down prices and improve service.

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SUN ALLIANCE

CHAIRMAN'S STATEMENT

1990 for the UK insurance market was the worst year in this century. In January and February the country was hit by very strong gales causing structural damage from the wind, the breaching of sea walls, flooding and consequential loss from the English Channel as far north as Scotland.

For the Group, this involved more than half-million claims and underwriting losses of almost £200m after a reinsurance recovery of £110m. In the summer many weeks of hot dry weather for the second year running produced a spate of subsidence claims which cost £146m, or more than double the losses of 1989. Natural calamities, which cost altogether over £410m, came at a time of severe economic recession when the market, after several reasonably good years, had entered a downward turn in the cycle, aggravated in the UK by very high interest rates.

While the climatologists may argue over differing prognoses for the development of weather patterns, there can be no doubt there will have to be further premium increases in commercial, household and motor business. In marine and aviation, and in several liability classes, rates do not match the risks covered. The one satisfactory feature of the year at home was the continued growth of our life business which produced record profits for the shareholders.

The northern part of continental Europe did not escape the turbulent winter and underwriting losses were widespread there. Losses were also considerable in Australia where competition is tough. On the other hand, the United States of America, where our business is managed by Chubb, produced very satisfactory results.

With this background of almost unrelieved gloom, I am sorry to have to report to shareholders a substantial loss amounting to no less than £181m. As I have said before, it is in the hardest times that policyholders and owners of shares in the Group can appreciate our strength in depth, which is unapproached by that of our competitors. Our solvency margin at the end of the year was still 81% and has since grown.

As part of our efforts to widen the base of our activities, this year has seen the Group's shareholding in the rapidly growing Swinton Group increased to 75%, while last autumn Sun Alliance (with nine other British insurance companies) formed British Aviation Insurance Group Limited. Satisfactory progress in obtaining continental European business is being made in our joint venture with Lloyd's of London launched under the name "Eurosure", and we are pleased with the development of our co-operation in the UK and Japan with Taisho.

For many years Life Assurance Premium Relief

was a major inducement to long-term saving, from which the life companies benefited. This relief was withdrawn for new policies in 1984. In the years that followed, several new investment and savings schemes have been promoted by other institutions, based upon special tax concessions devised by the Government which have been quite complicated and do not always achieve the desired ends. They have served mainly to divert existing savings elsewhere, and it is time that the Government gave more serious thought to a coherent tax strategy which encourages long-term saving in a form that is simple to understand and equitable to customers and the institutions which serve them.

A year away from 1992, in the wider European scene, we still have disadvantages. Life companies in the UK bear a higher tax burden. Much more serious is the ability of many continental insurers, denied to us, to strengthen themselves to meet the exceptional losses of years such as 1990 by setting aside non-deductible catastrophe equalisation reserves in more prosperous times. If UK companies were to enjoy an equivalent relief there might also be a reduction in the need to purchase reinsurance from foreign reinsurers. Sadly the Budget increase

in VAT will lead directly to an increase in the cost of providing insurance, particularly in the personal sector. Following the escalation in subsidence claims, late last year the added VAT burden can only strengthen the case for some further increase in household insurance rates, particularly for properties with subsidence exposure.

Dividend
The Directors recommend a final dividend for 1990 of 9p per share, making a total dividend for the year of 14p.

Conclusion
If 1990 was a hard year for the Company, it produced extraordinary pressures for our staff and especially people dealing with claims in unparalleled numbers, and shareholders and policyholders alike can be proud of the way in which they met the challenge, and grateful to them for their efforts.

Our aim in the coming year will continue to be to pursue sound underwriting practices rather than to seek market share at any price, and to bear down on our operating expenses. I believe we are well placed to make the most of the recovery in the market place which is beginning, however haltingly, to appear.

RESULTS FOR 1990

The audited Group results for 1990 are as follows:

	1990 £m	1989 £m
Premium income -		
General insurance	2,512.7	2,475.3
Long-term insurance	861.2	810.6
	3,373.9	3,285.9
Profit and loss account		
General insurance underwriting result	(550.8)	(63.7)
Long-term insurance profits	47.7	40.5
Investment and other income	322.2	341.8
Profit/(loss) before taxation	(180.9)	318.6
Taxation	(82.5)	90.9
Profit/(loss) after taxation	(98.4)	227.7
Minority interests	7.8	12.3
Profit/(loss) attributable to shareholders	(106.2)	215.4
Dividend	111.1	99.0
Retained profits transfer	(217.3)	116.4
Share capital and reserves	2,833.6	2,936.5
Earnings/(loss) per share	(13.4p)	27.3p
Dividend per share	14.0p	12.5p

The above statement is a summary of the year's results and does not constitute the company's statutory accounts. Copies of the Annual Report and Accounts, including an unqualified Auditor's Report, were posted to shareholders on 22nd April 1991 and will be delivered to the Registrar of Companies after the Annual General Meeting to be held at 12 noon on 15th May 1991 at the Registered Office. If you are not a shareholder and would like a copy please write to the Company Secretary at the address shown below.

Sun Alliance Group plc

Registered Office: 1 Bartholomew Lane, London EC2N 2AB

Reports of the operation among Ring industrial may prove exaggerated. Group of Seven in Sunday has been preoccupied with monetary policy. But on monetary at rate policy, some consistent than they for years. Nicholas America's Treasury wants faster growth interest rates and a yen. Germany wants a yen and Japan wants a yen. The solution would be to cut interest rates to leave rates unchanged. Bundesbank to tighten. In public, this is now Mr Brady. The Japanese must join in coordinated cut in the yen. Privately, American officials fear this would be a counter-productive. Deadiuk at the G would be worse. Markets round the Brady may be hoping for G7 ministers' support.

Kohl Germany

THERE has not been much news from Germany recently. Chancellor Helmut Kohl's election defeat on Sunday and the loss of his majority in the Bundestag, the upper house of parliament, is no good news either from an economic point of view.

There is nothing to do with the chancellor's economic policy which is, if anything, less sound than the opposition's, but everything to do with the added uncertainty his defeat has created.

In Frankfurt, German shares, bonds and the mark all took a hammering yesterday and concern over political deadlock in Germany, political deadlock also means deadlock in economic policy and decisions about taxation. A huge parliament - which is what the CDU's loss of the Bundestag means - is no small headache in a task as daunting as making unification work.

Rarely has the perception of a country and its economic policy changed so fast within such a short period.

Chancellor Kohl is no longer the invincible patron saint of unity that he was at the beginning of the year. Karl Otto Pohl's image as Europe's supreme central banker was dented after a series of ill-judged and bad-tempered outbursts, while the German economy is expected to enter a sharp downward phase.

The consensus forecast is for economic growth, which peaked last year at 4.6 per cent, to fall by two percentage points this year and to slide further in 1992. Germany's eight-year economic boom has to end eventually, but the speed of its demise and the manner in which it is happening is extraordinary.

Plé

WHAT do Peter Rawlins, John Tattersall and John Gutter have in common? All are trustees of the London City Ballet, one of Britain's most popular touring companies, which faces closure in June unless funds can be found. Rawlins, the stock exchange chief executive, has long supported LCB - the smallest of six national companies and the only one without a central grant - with Tattersall, a partner of Coopers & Lybrand Deloitte, and Gutter, a director of Warburgs. Pulling their efforts together is John Hughes, managing director of Nestlé Petroleum and LCB chairman for the past ten years. "We need £500,000 to keep going fund raising and donations," he says. "Unless the Arts Council can guarantee funding within the next 12 months, we will have to close." Hughes is appealing to, among others, Norman Lamont and even supporter of the arts. "We've gone so far, but the Council says no more money is available." The LCB spends much on regional tours but has always enjoyed strong City support.

THE Stationers' Company, one of the City livery companies, has teamed up with Fra International to create a post-graduate research school.

Mr Brady's phoney interest war

COMMENT

Reports of the death of co-operation among the leading industrial countries may prove exaggerated. The Group of Seven meeting on Sunday has been preceded by an unusual amount of back-biting. But on monetary and interest rate policy, aims are more consistent than they have been for years. Nicholas Brady, America's Treasury Secretary, wants faster growth, lower interest rates and a weaker dollar. Germany wants a stronger mark and Japan wants a low profile. The solution would be for America to cut interest rates, Japan to leave rates unchanged, and the Bundesbank to tighten.

In public, this is not enough for Mr Brady. The Germans and Japanese must join in a globally co-ordinated cut in interest rates, he says. Privately, however, American officials recognise that this would be impossible and counter-productive, since it would weaken yen and mark.

Deadlock at the G7 meeting would be worse, unsettling markets round the world. Mr Brady may be hoping to enlist the G7 ministers' support in the US

Treasury's domestic dispute with the Federal Reserve Board. Anti-inflation hawks in the Fed are making it hard for the central bank to cut interest rates any further. A globally co-ordinated move may give Mr Brady and Alan Greenspan, his Fed ally, a weapon against the hawks. After the lobbying of the past few weeks, the Germans would be happy to endorse a relaxation in America, in exchange for a promise from Washington to stop complaining about the Bundesbank.

Finally, the G7 tensions have nothing to do with monetary policy at all. Washington believes that the Gulf War has given it unprecedented leverage to achieve its diplomatic and financial objectives around the world. These include enlisting far greater Japanese and European support for debt reduction schemes in Latin America and eastern Europe and winning policy battles in the World Bank

and the IMF. Agreement on currency and interest rate co-ordination might cover up rifts over this more contentious agenda.

Square one

The Financial Services Act has brought more grief to producers and less benefit to consumers in the selling of life insurance than in any other field. That is a pity because the corrupt old system penalised some of the best producers, whether life offices or brokers, and was costly and confusing to consumers, who rarely got the best deal available.

Rethinking was therefore necessary. Piecemeal changes made or now contemplated by the Securities and Investments Board appear to have one thing

in common. They address the problems of the industry but do little for consumers.

Potential customers need full information at point of sale in an understandable form, notably on how much of their money goes into investments, how much they can call on and the choice offered. They need protection for money passed through intermediaries.

The problem of comparable disclosure of costs has never been resolved, leading to dominance of direct selling and tied agencies and the decline of independents. This undermined Fimbra, the weakest of the new regulators. In trying to solve these problems, industry's interest is coming first.

Allowing intermediaries outside the main investor protection system to sell more life insurance reduces protection. Allowing the

main high street distributors to tie with several offices suits banks and building societies that are fed up with tying with one office, but will lead to higher costs, as this form of competition for the favour of distributors leads to higher commissions. For the consumer, the market is moving back to square one.

Round two

Small merchant banks hope to be profitable niche operators, but, as Guinness Mahon has demonstrated, they can just as easily become odd-lot traders picking up what others do not want.

David Porter, having arrived from Midland Montagu to shore up a rapidly crumbling business last October, has evidently taken a severe view of the group's loan book. Even so, having to write down almost 10 per cent is horrific. What seemed to be the healthiest part of this

accident-prone group turned out to depend on fair financial weather.

The Bank of Yokohama must have known, when it was offered a majority holding, that this would be no plum and that the Bank of England expects a second-tier group allowed into London's inner circle to do the decent thing. Injecting £50 million into the group will more than double shareholders' funds but do little more than make good the near £43 million reduction over the past 18 months. At least they can now have another go, under a completely new team, at gaining the mutual benefits of binding the merchant bank much more closely to its provincial deposit-bank parent.

This may be just the right moment to invest capital in London corporate finance and financial services. There must be some doubt, however, whether Robert Maxwell, of the City institutions who took shares off the Bank of Yokohama at 146p less than two years ago to keep the group's quotation, will want to join in round two.

Kohl defeat puts brake on German economic machine

THERE has not been much good news from Germany recently. Chancellor Helmut Kohl's election defeat on Sunday and the loss of his majority in the Bundestag, the upper house of parliament, is not good news either from an economic point of view.

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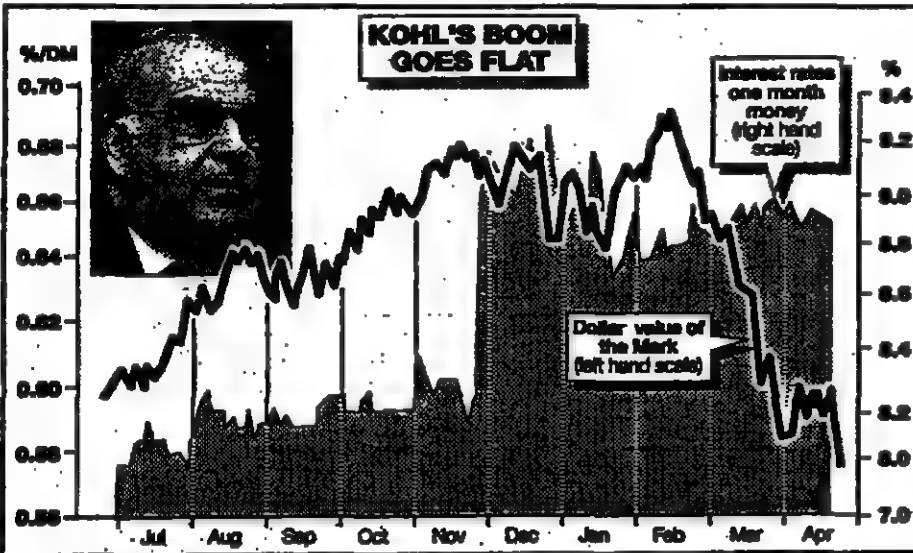
In Frankfurt, German shares, bonds and the mark all took a hammering yesterday amid concern over political deadlock. In Germany, political deadlock also means deadlock in economic policy and indecision about taxation. A hung parliament — which is what the CDU's loss of the Bundestag means — is no small hindrance in a task as daunting as making unification work.

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There have been occasions when a government was faced with a hostile Bundestag majority, but this time is different. The upper house's greatest power is over policies that directly involve the federal states, notably taxation, the issue on which Chancellor Kohl lost this election.

Although this year's budget and tax rises are home and dry, the election results must cast doubts over medium-term fiscal policies.

Supplementary budgets may be needed if the DM100 billion aid programme to eastern Germany proves insufficient, as too little is still known about the cost of unification.

There is even more uncertainty about the wide-ranging tax reforms planned for next year. Chancellor Kohl, hard pushed by the FDP, his junior coalition partner, was considering a big reduction in corporation-tax rates and a switch towards indirect taxation through an increase in

the rate of value added tax, one of the lowest in Europe at 14 per cent.

The SPD opposition rejects both measures and, if determined, could block them. Its preferred solution is even higher rates of income taxes, and a wealth tax.

German taxation would be of little outside interest if it were not linked with monetary policies. The over-growing budget deficit has already strained the government's relationship with the Bundesbank, which is expected to raise interest rates soon, not least to counter the strong fall in the mark.

An additional policy dilemma is caused by the behaviour of the closely followed M3 money supply measure. Its official level shows an increase of about 25 per cent but, because of the distortions from monetary union, M3 has become a bogus indicator.

Economic decision making has become more difficult

because of the increased uncertainty and the election result will add to those problems.

As Norbert Walter, chief economist of Deutsche Bank, said: "The Germans are now forced into consensus politics."

The trouble is that there is too little consensus about economic policy.

The country's problems might be regarded with some satisfaction by those who are suspicious of any federal political system. While Germany's federalism is widely regarded as having benefited its economy, at least until unification, its lengthy decision making process is far from ideal when speed is at a premium.

Speed has never been more important than it is today but policy making will become slower than ever.

WOLFGANG MÜNCHAU
European Business Correspondent

Golden era ends at Ratners

TEMPUS

THE recession has finally caught up with Ratners Group, Britain's largest retailer jeweller. The remarkable growth of the Eighties has ended and the group is fighting for sales along with every other shopkeeper.

On the face of it, Ratners' 2 are not bad. Pre-tax profits, clean of property and exceptional items, rose 3.5 per cent to £112 million on sales of £1.11 billion, up 24 per cent. Earnings per share at 23.6p fell 9.2 per cent and a final dividend of 7.6p makes 10p for the year, up 5.3 per cent.

There is a £2 million exceptional item for the cost of closing about 35 Salisbury stores and a £6.74 million extraordinary item for closing 43 Regent clearance stores.

But while Ratners may have performed reasonably well in sales terms in what has been a difficult year, its performance in cost control has been abysmal. Costs were allowed to accelerate faster than sales last year, growing 20 per cent, while same store sales growth in the main British businesses of Ratners, H Samuel, Zales and Salisbury, grew just over 10 per cent.

Ratners has identified the problems and has implemented a strategy that ranges from cutting 5 per cent of the

workforce, about 1,000 jobs, to reining in interest-free credit and money-back guarantees, which should save £10 million this year.

Gerald Ratner, the group's chairman and chief executive, says he is concentrating on cost cutting and will be happy with sales growth of about 8 per cent this year. The group is in the fortunate position of having more scope than most retailers for cutting back.

In America, Kay Jewelers, acquired last year, contributed £14 million, a little ahead of expectations, but the recession has hurt Sterling, where same-store sales rose only 4 per cent. Operating profits from America rose 31 per cent to £54.5 million, while in Britain, they fell 14.6 per cent to £79.7 million.

The group's gearing is 39 per cent, assuming the preference shares are treated as equity rather than debt, and interest cover is a healthy six times. The dividend is covered 2.1 times and the shares are currently yielding 7.5 per cent.

The shares, up 8p at 178p, are on 7.6 times earnings, assuming pre-tax profits of £130 million this year, and do not look expensive, especially

when the yield is taken into account. But everything hinges on cost control, which, if not carried out effectively, will hit the bottom line hard.

Travis Perkins

AS A builders' merchant, Travis Perkins is at the sharp end of the recession in the construction industry, which is why the next few months will be crucial to its future.

Yesterday, it joined a small band of respected companies whose results have confirmed 1990 as a year of rapid deterioration but which go on to forecast 1991 as a disaster. Many firms, with no cushion against one of the sharpest downturns in the construction industry, will not see the year out.

Travis, however, will not be among the fatalities, although it is likely to be seriously scarred. Tony Travis, the chairman, says trading in the first three months of the year has been quite terrible and that first-half profits will be lower than the £13.5 million reported in the first half of last year.

Analysis believe the figure could be as low as £6 million. But the wise heads brought together by the 1988 merger of Sandell Perkins and Travis & Arnold will ensure Travis's survival, especially after the official end of the post-merger restructuring has been marked by a £1.55 million exceptional provision.

The survival strategy has two elements. First is the absence of borrowings, which ensures that while trading will undoubtedly suffer, there are no finance costs to multiply the damage. Second is ruthless cost cutting, which continually tries to keep costs in line with sales. This meant shedding about 600 staff from the company's 160 depots last year. This year, management is likely to turn its attention to the depots themselves.

The strategy has already proved of some worth in 1990. Although pre-tax profits dropped from £32.9 million to £20.4 million, an unchanged total dividend of 8p was paid. But there appears to be no answer to the problem of bad debts, which cost Travis £4 million, almost 1.2 per cent of turnover, and could cost more this year.

Forecasts of about £16 million for the current year put the shares, at 234p, on a price-earnings multiple of over 21. Whatever the prospects for recovery in 1992, that looks quite high enough for now.

THE TIMES CITY DIARY

Plie pleas

WHAT do Peter Rawlins, John Tattersall and John Quinter have in common? All are trustees of the London City Ballet, one of Britain's most popular touring companies, which faces closure in June unless funds can be found.

Rawlins, the stock exchange chief executive, has long supported LCB — the smallest of six national companies and the only one without a central grant — with Tattersall, a partner of Coopers & Lybrand Deloitte, and Quinter, a director of Warburgs. Pulling their efforts together is John Hughes, managing director of Nestle Petroleum and LCB chairman for the past ten years. "We need £500,000 to keep going and rely for this at present on fund raising and donations," he says.

"Unless the Arts Council can guarantee funding within the next 12 months, we will have to close," Hughes is appealing to, among others, David Mellor, Chris Patten, Norman Lamont and even John Major, each of whom is a supporter of the arts. "We've had some sympathetic meetings so far, but the Council says no more money is available." The LCB spends much time on regional tours but has always enjoyed strong City support.

THE Stationers' Company, one of the City livery companies, has teamed up with Pira International to create a post-graduate research school

to serve the printing and publishing industry. Former Excel chairman Alan Brooker, who is now chairman of the trustees of the Stationers' Educational Charity, says: "We are helping young people, and the idea is to improve the quality of management in their trade."

Busy bees

SIR David Walker, chairman of the Securities and Investments Board, is renowned for his love of rules and regulation. Even so, eyebrows were raised at an SIB press conference at Bunhill Row yesterday when he took his seat flanked by two aides — dressed in almost identical shades of black and yellow. The pair, Betty Powell, a deputy director, and Colette Bowe, a group director — and head of information at the DTI at the time of the Westland leak — had both arrived that morning wearing black skirts and yellow jackets. "It was a complete coincidence," says Powell.



who denies that a new uniform for SIB employees is in the air. Meanwhile, journalists who glanced out of the window were struck by the sight of a large flat expanse of land over the road — a sports ground, as it happens, belonging to the Honourable Artillery Club. Could this be the inspiration for the "level playing field" of which so much has been written...?

SIGN in a china shop in Taunton, Somerset: "Show us a flying saucer and we'll show you an irritated housewife."

Won by a nose

SPARE a thought for the brokers at Lloyd's who have, in their time, had to place insurance on everything from dishing rips to satellites. The winner of a competition to find the most unusual risk underwritten in March is Kevin Ferguson, of Bowring International Insurance Brokers, who was called on to place prize indemnity insurance on a promotion for Red Nose Day. Entrants in a prize draw had to guess how many red noses had been stacked in a Lancia Thema parked in a shopping centre in Johannesburg. Insurance was taken out in case someone won the car — even though this is usually the idea — leaving the organisers with a £5,000 bill. "Fortunately no one won," says Ferguson, aged 21, who was presented with a memento of Moët et Chandon by Chris Brown, managing director of Corney & Barrow. A special award was made to Tim Gould, a reinsur-

ance broker with Norman Butcher & Jones Group, who designed a "spoof" wedding policy for two newly-weds.

Two's company

AN IRISHMAN, a South African and an Englishman. Until yesterday, this was the way it was at the top of Rothmans International, the tobacco and luxury goods group. All that has changed with the retirement, after 30 years on the board, of Donald Carroll, a past governor of the Bank of Ireland and former chairman of P.J. Carroll, the Irish cigarette company. His departure as deputy chairman, leaves Lord Swaythling, the chairman, and Johann Rupert, the executive deputy chairman, who is the son of Anton Rupert, the South African whose Rembrandt Corporation ultimately holds the reins. "There are no plans to appoint a new deputy chairman for the time being," says Lord Swaythling, who adds that Carroll is a keen smoker who enjoys Rothmans. "He would have gone a long time ago if he smoked someone else's."

NOT only did Rocco Forte, chairman and chief executive of Truethouse Forte, complete the AIT London Marathon in 3 hours 11 minutes — a personal best — but he even took time out for family matters. Spotting his wife and daughters in the crowd lining the Mall, he broke his stride to give them all a quick kiss before dashing off towards the finish. All together now: Aaaaah...

JON ASHWORTH

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that, despite the pr
economy, the Pole

In the warmest of political climates, Poland is not only a member of the European Community, but also a government committed to the free market. It is through the membership of this continent that Poland is able to benefit from the advantages of geographical proximity to the West. Its neighbors are not only the most advanced and most technologically sophisticated nations in the world, but also the most dynamic and innovative. In the last 10 years, Poland's market has grown by more than 50 percent, a testimony of the country's economic growth. Poland is a country that has been able to attract foreign investment, a sign of its economic strength. It is a country that has been able to attract foreign investment, a sign of its economic strength. It is a country that has been able to attract foreign investment, a sign of its economic strength.

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MONEY MARKETS

1991 Low Company		1991 Div		Change 90-91		1991 High Company		1991 Div		Change 90-91	
Low	Div	Low	Div	Low	Div	Low	Div	Low	Div	Low	Div
100	1.00	100	1.00	100	1.00	100	1.00	100	1.00	100	1.00
101	1.01	101	1.01	101	1.01	101	1.01	101	1.01	101	1.01
102	1.02	102	1.02	102	1.02	102	1.02	102	1.02	102	1.02
103	1.03	103	1.03	103	1.03	103	1.03	103	1.03	103	1.03
104	1.04	104	1.04	104	1.04	104	1.04	104	1.04	104	1.04
105	1.05	105	1.05	105	1.05	105	1.05	105	1.05	105	1.05
106	1.06	106	1.06	106	1.06	106	1.06	106	1.06	106	1.06
107	1.07	107	1.07	107	1.07	107	1.07	107	1.07	107	1.07
108	1.08	108	1.08	108	1.08	108	1.08	108	1.08	108	1.08
109	1.09	109	1.09	109	1.09	109	1.09	109	1.09	109	1.09
110	1.10	110	1.10	110	1.10	110	1.10	110	1.10	110	1.10
111	1.11	111	1.11	111	1.11	111	1.11	111	1.11	111	1.11
112	1.12	112	1.12	112	1.12	112	1.12	112	1.12	112	1.12
113	1.13	113	1.13	113	1.13	113	1.13	113	1.13	113	1.13
114	1.14	114	1.14	114	1.14	114	1.14	114	1.14	114	1.14
115	1.15	115	1.15	115	1.15	115	1.15	115	1.15	115	1.15
116	1.16	116	1.16	116	1.16	116	1.16	116	1.16	116	1.16
117	1.17	117	1.17	117	1.17	117	1.17	117	1.17	117	1.17
118	1.18	118	1.18	118	1.18	118	1.18	118	1.18	118	1.18
119	1.19	119	1.19	119	1.19	119	1.19	119	1.19	119	1.19
120	1.20	120	1.20	120	1.20	120	1.20	120	1.20	120	1.20
121	1.21	121	1.21	121	1.21	121	1.21	121	1.21	121	1.21
122	1.22	122	1.22	122	1.22	122	1.22	122	1.22	122	1.22
123	1.23	123	1.23	123	1.23	123	1.23	123	1.23	123	1.23
124	1.24	124	1.24	124	1.24	124	1.24	124	1.24	124	1.24
125	1.25	125	1.25	125	1.25	125	1.25	125	1.25	125	1.25
126	1.26	126	1.26	126	1.26	126	1.26	126	1.26	126	1.26
127	1.27	127	1.27	127	1.27	127	1.27	127	1.27	127	1.27
128	1.28	128	1.28	128	1.28	128	1.28	128	1.28	128	1.28
129	1.29	129	1.29	129	1.29	129	1.29	129	1.29	129	1.29
130	1.30	130	1.30	130	1.30	130	1.30	130	1.30	130	1.30
131	1.31	131	1.31	131	1.31	131	1.31	131	1.31	131	1.31
132	1.32	132	1.32	132	1.32	132	1.32	132	1.32	132	1.32
133	1.33	133	1.33	133	1.33	133	1.33	133	1.33	133	1.33
134	1.34	134	1.34	134	1.34	134	1.34	134	1.34	134	1.34
135	1.35	135	1.35	135	1.35	135	1.35	135	1.35	135	1.35
136	1.36	136	1.36	136	1.36	136	1.36	136	1.36	136	1.36
137	1.37	137	1.37	137	1.37	137	1.37	137	1.37	137	1.37
138	1.38	138	1.38	138	1.38	138	1.38	138	1.38	138	1.38
139	1.39	139	1.39	139	1.39	139	1.39	139	1.39	139	1.39
140	1.40	140	1.40	140	1.40	140	1.40	140	1.40	140	1.40
141	1.41	141	1.41	141	1.41	141	1.41	141	1.41	141	1.41
142	1.42	142	1.42	142	1.42	142	1.42	142	1.42	142	1.42
143	1.43	143	1.43	143	1.43	143	1.43	143	1.43	143	1.43
144	1.44	144	1.44	144	1.44	144	1.44	144	1.44	144	1.44
145	1.45	145	1.45	145	1.45	145	1.45	145	1.45	145	1.45
146	1.46	146	1.46	146	1.46	146	1.46	146	1.46	146	1.46
147	1.47	147	1.47	147	1.47	147	1.47	147	1.47	147	1.47
148	1.48	148	1.48	148	1.48	148	1.48	148	1.48	148	1.48
149	1.49	149	1.49	149	1.49	149	1.49	149	1.49	149	1.49
150	1.50	150	1.50	150	1.50	150	1.50	150	1.50	150	1.50
151	1.51	151	1.51	151	1.51	151	1.51	151	1.51	151	1.51
152	1.52	152	1.52	152	1.52	152	1.52	152	1.52	152	1.52
153	1.53	153	1.53	153	1.53	153	1.53	153	1.53	153	1.53
154	1.54	154	1.54	154	1.54	154	1.54	154	1.54	154	1.54
155	1.55	155	1.55	155	1.55	155	1.55	155	1.55	155	1.55
156	1.56	156	1.56	156	1.56	156	1.56	156	1.56	156	1.56
157	1.57	157	1.57	157	1.57	157	1.57	157	1.57	157	1.57
158	1.58	158	1.58	158	1.58	158	1.58	158	1.58	158	1.58
159	1.59	159	1.59	159	1.59	159	1.59	159	1.59	159	1.59
160	1.60	160	1.60	160	1.60	160	1.60	160	1.60	160	1.60
161	1.61	161	1.61	161	1.61	161	1.61	161	1.61	161	1.61
162	1.62	162	1.62	162	1.62	162	1.62	162	1.62	162	1.62
163	1.63	163	1.63	163	1.63	163	1.63	163	1.63	163	1.63
164	1.64	164	1.64	164	1.64	164	1.64	164	1.64	164	1.64
165	1.65	165	1.65	165	1.65	165	1.65	165	1.65	165	1.65
166	1.66	166	1.66	166	1.66	166	1.66	166	1.66	166	1.66
167	1.67	167	1.67	167	1.67	167	1.67	167	1.67	167	1.67
168	1.68	168	1.68	168	1.68	168	1.68	168	1.68	168	1.68
169	1.69	169	1.69	169	1.69	169	1.69	169	1.69	169	1.69
170	1.70	170	1.70	170	1.70	170	1.70	170	1.70	170	1.70
171	1.71	171	1.71	171	1.71	171	1.71	171	1.71	171	1.71
172	1.72	172	1.72	172	1.72	172	1.72	172	1.72	172	1.72
173	1.73	173	1.73	173	1.73	173	1.73	173	1.73	173	1.73
174	1.74	174	1.74	174	1.74	174	1.74	174	1.74	174	1.74
175	1.75	175	1.75	175	1.75	175	1.75	175	1.75	175	1.75
176	1.76	176	1.76	176	1.76	176	1.76	176	1.76	176	1.76
177	1.77	177	1.77	177	1.77	177	1.77	177	1.77	177	1.77
178	1.78	178	1.78	178	1.78	178	1.78	178	1.78	178	1.78
179	1.79	179	1.79	179	1.79	179	1.79	179	1.79	179	1.79
180	1.80	180	1.80	180	1.80	180	1.80	180	1.80	180	1.80
181	1.81	181	1.81	181	1.81	181	1.81	181	1.81	181	1.81
182	1.82	182	1.82	182	1.82	182	1.82	182	1.82	182	1.82
183	1.83	183	1.83	183	1.83	183	1.83	183	1.83	183	1.83
184	1.84	184	1.84	184	1.84	184	1.84	184	1.84	184	1.84
185	1.85	185	1.85	185	1.85	185	1.85	185	1.85	185	1.85
186	1.86	186	1.86	186	1.86	186	1.86	186	1.86	186	1.86
187	1.87	187	1.87	187	1.87	187	1.87	187	1.87	187	1.87
188	1.88	188	1.88	188	1.88	188	1.88	188	1.88	188	1.88
189	1.89	189	1.89	189	1.89	189	1.89	189	1.89	189	1.89
190	1.90	190	1.90	190	1.90	190	1.90	190	1.90	190	1.90
191	1.91	191	1.91	191	1.91	191	1.91	191	1.91	191	1.91
192	1.92	192	1.92	192	1.92	192	1.92	192	1.92	192	1.92
193	1.93	193	1.93	193	1.93	193	1.93	193	1.93	193	1.93
194	1.94	194	1.94	194	1.94	194	1.94	194	1.94	194	1.94
195	1.95	195	1.95	195	1.95	195	1.95	195	1.95	195	1.95
196	1.96	196	1.96	196	1.96	196	1.96	196	1.96	196	1.96
197	1.97	197	1.97	197	1.97	197	1.97	197	1.97	197	1.97
198	1.98	198	1.98	198	1.98	198	1.98	198	1.98	198	1.98
199	1.99	199	1.99	199	1.99	199	1.99	199	1.99	199	1.99
200	2.00	200	2.00	200	2.00	200	2.00	200	2.00	200	2.00

© Ex dividend • Ex alt • Forecast dividend • Interest payment passed • Price at suspension • Dividend and yield exclude a special payment • Pro-rata figures • Forecast earnings • Ex other • Ex rights • Ex swap

MONEY MARKETS

Exchange index compared with 1985 was down at 91.6 (day's range 91.8-92.0).

STERLING SPOT AND FORWARD RATES

Best Rates for April 22	Range	Cable	1 month	3 month
New York	1.9925-1.7150	1.9925-1.9925	0.79-0.79	2.59-2.59
London	0.8452-0.8452	0.8452-0.8452	0.38-0.38	0.75-0.75
Amsterdam	3.8350-3.3700	3.8350-3.3507	25-11p	25-11p
Brussels	61.25-61.50	61.25-61.40	15-11p	41-34p
11p/24h	1.1450-1.1450	1.1450-1.1450	15-11p	41-34p
Dublin	1.1185-1.1185	1.1185-1.1185	22-19p	57-48p
Frankfurt	2.9964-2.9964	2.9964-2.9964	15-11p	41-34p
Geneva	2.9925-2.9925	2.9925-2.9925	15-11p	41-34p
Madrid	183.84-184.25	183.84-184.25	25-19p	57-48p
Osaka	200.25-221.25	200.25-220.94	11p-1a	5p-9p
Paris	11.5440-11.5440	11.5440-11.5440	11p-1a	5p-9p
Paris	10.0398-10.0398	10.0398-10.0398	11p-1a	5p-9p
Tokyo	10.50-10.50	10.50-10.50	11p-1a	5p-9p
Vancouver	21.00-21.00	21.00-21.00	5p-9p	5p-9p
Swiss	2.9925-2.9925	2.9925-2.9925	15-11p	41-34p

MONEY RATES (%)

Base Rates: Clearing Bank 12	Finance Rate 13	Low 11%	Week: Cash 11%
Discount: Market Lender 12 1/2	11 1/2	11 1/2	11 1/2
Treasury Bills (90-day): 2 mth 11 1/2	3 mth 11 1/2	5 mth 11 1/2	8 mth 11 1/2

	1 mth	3 mth	6 mth	12 mth
Prime Bank Bill (Spot)	11 1/2%	11 1/2%	11 1/2%-11 1/2%	10 1/2%-10 1/2%
Trade Bill	12 1/2%	12 1/2%	12 1/2%	12 1/2%
Overnight	11 1/2%-11 1/2%	11 1/2%-11 1/2%	11 1/2%-11 1/2%	11 1/2%-11 1/2%
Overnight open 12, close 12 1/2				
London: 30-day T-bill	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Swiss: 30-day T-bill	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Dollar: 30-day	6 1/2%-6 1/2%	6 1/2%-6 1/2%	6 1/2%-6 1/2%	6 1/2%-6 1/2%
Building Society Cash	11 1/2%-11 1/2%	11 1/2%-11 1/2%	11 1/2%-11 1/2%	11 1/2%-11 1/2%

EUROPEAN MONEY DEPOSITS (%)

	6 mth	9 mth	12 mth
Current	9 1/2%	9 1/2%	9 1/2%
Dollar	9 1/2%	9 1/2%	9 1/2%
Deutschmark	9 1/2%	9 1/2%	9 1/2%
Swiss Franc	9 1/2%	9 1/2%	9 1/2%
Bank Premia	9 1/2%	9 1/2%	9 1/2%
Swiss	9 1/2%	9 1/2%	9 1/2%

GOLD AND PRECIOUS METALS (gold & Cu)

Refined: Open \$328.00-328.40	Close \$326.75-326.25	High \$328.50-328.75
Low \$305.10-305.50	Payment \$305.00-305.50	\$220.75-210.75
Swissgold: OM \$340.50-350.00 (\$347.75-350.75)	OM \$340.50-350.00 (\$347.75-350.75)	

OTHER STERLING RATES

Australia aural*	14761.7-14808.8	1.5210-1.5225
Australia dollar	2.2953-2.2927	1.7187-1.7187
Canada	0.75-0.75	2.5756-2.5756
Central bank	484.80-485.45	1.2575-1.2580
Cypriot pound*	0.608-0.610	1.1587-1.1588
Dollar	0.75-0.75	2.5756-2.5756
Swiss franc	32.25-32.25	6.5200-6.5200
Hong Kong dollar	13.9258-13.9258	7.0700-7.1100
Indonesian rupiah	3.11-3.11	1.5210-1.5210
Kuwait dirham KID	4.0635-4.0700	1.4735-1.4740
Malaysian dollar	2.5044-2.5044	1.9800-1.9810
New Zealand dollar	2.5044-2.5044	1.9800-1.9810
South African rand	3.0273-3.0273	1.3975-1.3980
Singapore dollar	6.5142-6.5142	1.5210-1.5210
S.African rand	3.0273-3.0273	1.3975-1.3980
US dollar	0.628-0.628	7.0700-7.1100
Swiss franc	3.11-3.11	1.5210-1.5210

ECB's: Fixed Rate Sterling Export Finance. Make-up day: Mar 28, 1991 Agreement rates: Oct 24, 1991 to Mar 26, 1991 Scheme 1: 13.52%, Scheme 2 & 3: 13.71%. Reference rate Mar 1, 1991 to Mar 26, 1991 Scheme 1 & 2: 12.72%.

LONDON FINANCIAL FUTURES

FT-SE 100	Period	Open	High</
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INVESTMENT TRUSTS

Date		Time		Place		Score		Result	
Day	Month	Year	Hour	Min	Sec	Home	Vis	Home	Vis
12	12	1971	10	00	00	100	100	100	100
13	12	1971	10	00	00	100	100	100	100
14	12	1971	10	00	00	100	100	100	100
15	12	1971	10	00	00	100	100	100	100
16	12	1971	10	00	00	100	100	100	100
17	12	1971	10	00	00	100	100	100	100
18	12	1971	10	00	00	100	100	100	100
19	12	1971	10	00	00	100	100	100	100
20	12	1971	10	00	00	100	100	100	100
21	12	1971	10	00	00	100	100	100	100
22	12	1971	10	00	00	100	100	100	100
23	12	1971	10	00	00	100	100	100	100
24	12	1971	10	00	00	100	100	100	100
25	12	1971	10	00	00	100	100	100	100
26	12	1971	10	00	00	100	100	100	100
27	12	1971	10	00	00	100	100	100	100
28	12	1971	10	00	00	100	100	100	100
29	12	1971	10	00	00	100	100	100	100
30	12	1971	10	00	00	100	100	100	100
31	12	1971	10	00	00	100	100	100	100

COMMODITIES

[illegible]

Free Poland sets out its stall for capitalism



Today marks the beginning of the first state visit to Britain by the Polish president, Lech Walesa (left). In this special report, Roger Boyes, East European editor, traces the fall of communism and reports

that, despite the problems of changing over to a market economy, the Poles are optimistic about their future

In the words of Juliusz Slowacki, the romantic poet, Poland is the "heart of Europe". Not only is it the geographical centre; it also provides the throbbing, emotional pulse of the Continent. As ever, Poland is a captive of geography. For centuries it has been dismembered, or bullied, by its larger neighbours. Now it is caught between the new and increasingly introspective Germany and a disintegrating Soviet Union.

In the East, Poland's traditional markets are collapsing, and cheap Soviet oil is a thing of the past. Although Poland is physically closer to the European Community, membership is still a distant goal.

The simultaneous progression from a command economy to the market, and from a form of Soviet colonial rule to independent democracy, is a journey in the foothills of a land without maps. So Poland is in transition, and it should be on the brink of chaos, much like eastern Germany. Yet a cold study of the facts shows that Poland and the Poles feel in control of their lot. The dynamics of the economy and the political process are pushing Poland forward, and doing so in a way that seems set to make it a pioneer of change in Eastern Europe.

The turning point came at the new year, when President Lech Walesa took charge as head of state, put together a functioning, if low-profile, government and reassured Western creditors by retaining Professor Leszek Balcerowicz as finance minister.

This ended a better-remembered year, which included the bitter fracture of the Solidarity movement, a jump in unemployment from zero to 1.2 million, and general dissatisfaction that the freedom opened up by the overthrow of communism was not being matched by increased prosperity.

Mr Walesa was swept to power by what he calls "the party of the frustrated", the Poles who felt cheated by the tough monetarist and market economics and the apparently legendary politics of the government of Jacek Mazowiecki. Yet despite making "acceleration" his watchword, he has changed very little in terms of policy.

His achievement is this: he has put an end to the illusion that the passage to a



People power: Solidarity demonstrations in Gdansk won freedom. Now Poland's enthusiastic new capitalists have turned the same streets into instant markets, trading from the back of their Ladas

pluralistic market democracy could be derailed by pressure from the streets or an outbreak of anger in the factories. As the Solidarity chairman, and hence the tribune of the people, he is telling Poles they must face years of sacrifice.

The Poles are grumbling but now at least they accept the situation. That has created new certainties and shifted the terms of the national debate. There is little talk today of a vendetta against the communists. The prosperity of a few ex-communists is an irritant but it is no longer a big issue, and the national priority is to modernise Poland.

Of Poland, as of Italy, one can say: *Eppur si muove* (nevertheless it moves). The economy is presenting a jumble of signals. Inflation, which was at a monthly rate of 4 per cent in March, is dramatically lower than in 1990, and the currency, stable for 12 months against the dollar, is now virtually convertible.

Foreign trade has been liberalised, and the results can be seen on every street corner. Freelance traders, many of them

officially registered as unemployed, are selling Western consumer goods from picnic tables to caravans.

The long-term problems have yet to be settled. Above all, state industry has to be dismantled more thoroughly, and a coherent agricultural policy has to be found to cope with the thousands of small, uneconomic private farmsteads. However, the energy of those street traders, who two years ago would have been arrested on the spot, is an important pointer.

The private sector is booming, as shown by the 1,100,000 private businesses set up in 1990, and it is putting a competitive squeeze on state shops and suppliers, which are having to sharpen their marketing. This is partly an optical illusion, of course. The privatisation to the benefit of mainly trade and services but has barely touched production, which fell almost 25 per cent last year. The economic miracle is some way off, but as economic historians point out, even the post-war economic

recovery of West Germany, aided by huge American funds, did not take off immediately after currency reform.

What has changed during the past year is the psychology of the Poles. They are proving to be a people capable of learning fast. Under communism, governments were afraid to raise prices, for this would be a sure recipe for a workers' revolt. Now prices go up daily and Poles accept that this has little to do with government.

Poles are also learning that risk is an important element in the creation of capitalism. While other East European states teeter on the brink of wide-ranging reform, afraid of the social costs of layoffs and unable to find strong individual investors, Polish businessmen have learnt to challenge state monopolies.

For example, they have set up private banks, with varying degrees of success, and diversified their new companies so that surefire money-makers, such as

selling imported plastic kitchenware, can fund riskier ventures.

Last Tuesday, Warsaw opened its stock exchange in an attempt to lure this risk capital into a more institutional framework. There are to be scores of important industrial privatisations this year, all more or less modelled on the five pilot privatisations of last autumn.

Privatised industry cannot make a serious impact on economic growth for some years yet. However, it is a question of confidence. A year ago few Poles would have contemplated investing in industry. Today there is a thriving club of capitalists - membership fee \$5,000 (£2,800) - which meets regularly to work out possible portfolios. Domestic confidence quickly infects foreign investors, and although Western investment in Poland is well below that in Hungary, the tide is turning in Warsaw's favour.

There may be a hidden conflict of interest, though, between the aims of Mr Walesa and those of the West. For Western investors, economic confidence

is attractive only if there is political stability. Poland's main attraction for the West remains a relatively cheap, well-educated and orderly workforce. If wages were doubled to buy off unrest, then the Balcerowicz plan of sprinting to the market would be doomed.

Mr Walesa, however, sees political stability in a rather different way. He understands that the central problem of post-communist Europe is how to balance economic and political reform. His formula is to listen carefully to the people and seize the moment.

Mr Walesa has shown some skill in foreign policy. His fear is the militarisation of Soviet politics. Poland, more than any other central European state, still needs Mikhail Gorbachev. Mr Walesa is demanding that the 52,000 Soviet soldiers stationed in Poland be withdrawn by the end of the year, but he is doing so in a way that is supposed not to alarm the Soviet generals. If he can pull off that trick, he will certainly have arrived as a European statesman.



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THE TIMES TUESDAY

Shal enc

The West has re
market economy.

Professor Leszek Balcerowicz, Poland's finance minister and its economic mastermind, received a remarkable vote of confidence this spring when western creditor governments decided to cut the nation's debt by at least 50 per cent. The gesture was an acknowledgment that Poland's shift to a market economy, which was begun 15 months ago, was on course. Poland's huge £24.4 billion debt to the West was a heavy depressant on the economy, and foreign investors have been deterred.

Now the Club of Paris, a group of all the western creditor states, will pay at least half of the £18.5 billion owed to governments. Some countries, such as the United States, have already said they will go beyond the minimum commitment and reduce their bilateral debt with Poland by as much as 70 per cent. The Club of London, representing the commercial banks of the West, is expected to take

Moun palace pollu

Western holiday-ma
the industrial grim
past of riches, art,

In Warsaw the other day, in the city of the new Marriott hotel, I overheard a conversation between two American businessmen. The talk was of Poland's merits as a tourist destination. "It's got everything — lakes, mountains, a scenic history," said one. "Yeah," said his companion, "and pollution, photo that don't work, and an airport that I would be ashamed to have as my backyard."

Both men, of course, were correct. Poland has great natural assets but so far at least has been unable to exploit them properly. This is changing, and the result is that enterprising tourists can make a worn advertising cliché come true and really discover a new country.

The pollution and the sub-standard accommodation remain. But the state no longer has a monopoly on travel agencies. Small companies are starting up, and Orbis, the state travel company, feeling the squeeze of competition, is performing better.

The opening up of the economy has also created opportunities for joint ventures with firms from Germany, Austria, France and, in the case of the venerable Hotel Bristol, with Britain, to renew and construct new hotels of world class. For travellers who can afford luxury or first-class hotels, there is now already

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Shaft of light at the end of the tunnel

The West has reduced Poland's debt to show confidence in the emerging market economy, despite internal tensions over unemployment and inflation

Professor Leszek Balcerowicz, Poland's finance minister and its economic mastermind, received a remarkable vote of confidence this spring when western creditor governments decided to cut the nation's debt by at least 50 per cent. The gesture was an acknowledgment that Poland's shift to a market economy, which was begun 15 months ago, was on course.

Poland's huge £24.4 billion debt to the West was a heavy depressant on the economy, and foreign investors have been deterred. Now the Club of Paris, a group of all the western creditor states, will chop at least half of the £18.3 billion owed to governments. Some countries, such as the United States, have already said they will go beyond the minimum commitment and reduce their bilateral debt with Poland by as much as 70 per cent. The Club of London, representing the commercial banks of the West, is expected to take

similar action over its £6 billion share of Poland's debt. There is not much, however, for ordinary Poles to be happy about. Inflation has come down from the colossal 245 per cent of last year, but is still expected by the government to reach 52 per cent by the end of 1991.

Unemployment, too, is snowballing. Last year it rose from zero to 1.2 million, and is expected this year to be well over two million, a huge number in a country without



Priorities: Balcerowicz

any tradition of coping with unemployment.

There are other problems. The collapse of the Comecon trading organisation and the shift to hard-currency accounting in eastern Europe has hit the engineering industry in particular. More than 150 factories, which have specialised in exporting to the Soviet Union, are now close to bankruptcy.

Even so, Professor Balcerowicz is maintaining his three strategic priorities: tough monetary policies to curb inflation and restore value to the Polish currency, the zloty; the abolition of consumer subsidies and rapid privatisation; and the liberalisation of foreign trade.

Of these, it is perhaps the last element that is most visible on the streets of Warsaw. Traders have set up their stalls and sell a range of goods that they have bought in Berlin or Austria and driven across the border. State and private shops are now full. Exports have also boomed.

Poland's hard-currency surplus last year was £2.6 billion. The private sector's share in exports tripled to reach 5 per cent, still a tiny proportion, but proof of the dynamism of the sector.

This is in line with the Balcerowicz formula. The professor intends the economy as a whole to contract — and industrial production has already dropped 30 per cent — while the private sector's role strongly expands. The pinch of competition should force some state companies to go out of business and others to seek western capital to modernise, while inducing all-round better service and product quality.

The process is only just beginning, however. For example, how can it be that, while output is down by a third and unemployment is rising, not one state-controlled company has gone bankrupt? The reason is simple: nobody is paying bills. State factories



A smile of hope in the gloom: workers are maintaining their peace, but the average monthly wage is still only £39

are churning out goods made from materials that have not been paid for, and wages are coming from credits granted by banks that are afraid that

it cannot do so indefinitely. Devaluation must be around the corner, despite assurances to the contrary.

These are the problems of transition, however, and the continuing structural reforms should put at least some things right.

Banking reform, for example, will open the way for genuinely competitive banking. Banks will be tougher on inefficient companies and should start to channel money

towards small and medium-sized enterprises.

The rush for a market economy has never been accomplished in these conditions before. The experiment is as even the most senior financial planners admit, a high-risk venture.

The average monthly salary is about £39, so how long can the workers accept severely depressed wages at a time when social services are collapsing and prices rising?

President Lech Walesa has an implicit bargain with Professor Balcerowicz: you put the economy on its feet as fast as possible, and I shall try to calm down the workers. However, that is a very temporary contract. The vulnerable Polish economy is just starting to work and could all go terribly wrong very quickly.

If reform goes off the rails in Poland, all the economic innovators of the East will also be in serious trouble.

Mountains, palaces and pollution

Western holiday-makers will find that the industrial grime hides an elegant past of riches, art, music and castles

In Warsaw the other day, in the cheap alternative, men are even offered accommodation in monasteries. The talk was of Poland's merits as a tourist destination. "It's got everything — lakes, mountains, a seaside, history," said one. "Yeah," said his companion, "and pollution, phones that don't work, and an airport that I would be amazed to have as my backyard."

Both men, of course, were correct. Poland has great natural assets, but so far at least has been unable to exploit them properly. This is changing, and the result is that enterprising tourists can make a work and really discover a new country.

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The opening up of the economy has also created opportunities for joint ventures with firms from Germany, Austria, France and the case of the venerable Hotel Bristol, with Britain, to renew and construct new hotels of world class. For travellers who can afford luxury or first-class hotels, there is now already

quite a large choice. As a cheap alternative, men are even offered accommodation in monasteries.

Poles were always great travellers, and as the European Community lifts its visa restrictions — France, Italy, Germany, Denmark, The Netherlands and Belgium no longer demand visas from Poles — many more are deciding to spend their holidays abroad. That means Polish resorts have to compete more strenuously for trade.

The effects can already be seen: aeroplanes that do not rattle like cans of baked beans, baths that have plugs, a broader choice of food on the menu, and even roomier rooms with more amenities.

The Germans in particular have grasped that Poland is only a short drive away from the Mazurian lakes. Skiing connoisseurs value the Tatra mountains. For individuals, the best bet is to do some research at home, fly cheaply and improvise an itinerary.

A music-lover, for example, could follow Chopin's footsteps in Poland. First to his birthplace in Zelazowa Wola, outside Warsaw, with a well-rested house and park, and returns every Sunday — but do not linger too long by the river, since it is rarely dredged. Then on to Saniki, on the road between Lowicz and Plock, where Chopin spent his hol-



Natural beauty: Szczyrk, in the Tatra mountains, is a base for hiking and skiing

days, winding up perhaps at Antonin, the hunting place of Prince Radziwili, where Chopin composed the C major polonaise for piano and cello.

Poland is discovering its palaces again. Kornik, in western Poland, is a marvellous late-baroque palace, restored in the 19th century and partly rebuilt in English neo-Gothic. A short drive away there is the palace of Rogozin, with lush parkland and an art gallery that boasts a Monet.

But beware: some towns have well-rested palaces, but industrial development has rendered the place charmless. Only the most dedicated traveller will spend a long time in the Czartoryski palace, now a museum, in Pulawy, also near Kornik, since the

town is the site of one of Europe's largest nitrogen fertilizer factories.

Kazimierz, on the Vistula, is mercifully free of pollution. Tourist groups tend to flash past this marvellous Renaissance retreat, 15 minutes by car from Pulawy, yet one can profitably live here for a week or more, taking in the local livestock market, the 14th century castle built by King Casimir the Great, and unearthing the relics of what was once one of the largest Jewish communities in Poland.

Perhaps the most bizarre excursion, for individual travellers with their own cars, is to Janow Podlaski, near the Polish-Soviet border. Every autumn the Arabian stud farm there holds one of the largest Arabian horse auctions in the world. Investors, some of them wealthy jet-set figures, bid hundreds of thousands of dollars for the handsome, small-headed horses.

Members of the Gucci family, hardened businessmen from Düsseldorf and Dallas, and rock stars, such as Charlie Watts of the Rolling Stones, tramp through the mud into a large circus tent to bid. At their feet are securely locked anachronistic cases, since the dealing is strictly for cash.

The auctions flourished under communism for more than 20 years. They are an echo of the 16th century, when King Sigismund Augustus maintained the only stables in the world breeding full blood Arab horses.

Poles struggle on in search of democracy

Lech Walesa pledged last autumn that he would accelerate Poland along the road to political reform. Poland had kicked off the 1989 revolutions in eastern Europe but more than a year later had no real political party structure.

Instead it was stuck with the neo-stalinist front called Solidarity. Mr Walesa believed that the freedom factions of Solidarity should split and form parties, so that Poles would be given clear alternatives and programmes. In other words, the founder of Solidarity was prepared to destroy it, in the name of democratic advance.

Mr Walesa was right, but he miscalculated on several scores.

The presidential elections in November and December showed that a substantial number of Poles did not want any kind of Solidarity candidate. About 25 per cent chose a complete outsider, Stanislaw Tymiński, the millionaire emigre, rather than Mr Walesa or Tadeusz Mazowiecki, the prime minister, who was the other main runner. The break-up of Solidarity was not enough to create a multi-party system.

General elections are now due to be held for this autumn. What are the choices? The first

New parties are being formed from the old shell of Solidarity

real party to emerge in Poland was the Centre Alliance, which was formed in the spring of 1990 with the aim of bringing forward presidential elections and replacing General Wojciech Jaruzelski with Mr Walesa.

The first Centre Alliance congress in early March showed plainly that it had become a Christian Democratic party. The party's chairman, Jaroslaw Kaczynski, is also a minister of state in the presidential palace and his views are close to those of Mr Walesa.

The party programme restricts its powers to make a coalition with any remotely left-wing party. For example, the Centre Alliance wants to introduce a law banning former communists from public office. The party is also strongly against abortion.

The second large grouping to emerge from the shell of Solidarity was the Democratic Union. This was intended to promote the ideas of the

former prime minister, Tadeusz Mazowiecki. Within its ranks there is the germ of a social democratic party known as ROAD (which stands for Citizens' Movement for Democratic Action).

If there is to be a dominant centre-left party in Poland this could be it, because its leaders, all of whom were hunted or jailed by the secret police in the Eighties, are not stained by communism.

Throughout the developed eastern European reformed states, there has been a swing to the centre-right. Mr Walesa's election as president in some ways reflected this trend.

As the chairman of Solidarity, Mr Walesa had a constituency of the discontented and disgruntled. Now that he is in power, the only spokesman for frustrated Poles — the redundant steelworkers, the impoverished pensioners — is on the left.

The Solidarity trade union, now led by Marian Krzaklewski, will sponsor 30 to 40 seats in the new parliament. The union can make common cause with ROAD to press for a more humane approach to factory closures. The reformed communists, now social democrats, want to join a centre-left coalition.

A strong church divided

STREET maps in Poland have not caught up with the collapse of communism and the Catholic Church's expanding role. In the middle of a housing estate, the map says you are in October Revolution Street but the new sign calls it Christ The King Street.

Out go the socialist heroes, in come Father Jerzy Popieluszko Street and the Avenue Of The Blessed Virgin Mary.

Ninety per cent of Poles still say they are part of the Catholic faith. Attendance at mass was strong throughout the communist years, but this was partly an anti-communism protest and an affirmation of Polishness.

"Repressed in the Stalinist days, the church was still the only public place in which the Polish language was not used as a tool to persecute others," says Adam Michnik, the former dissident.

Mr Michnik, now editor of the influential *Gazeta Wyborcza*, is on the left of Solidarity and admits: "My identity was shaped by a line of conspirators and rebels, blasphemers and rationalists, radicals and socialists — all far from the church, from conservative thought and from the nationalist camp." Yet a bridge was formed, an anti-totalitarian coalition.

That coalition has now broken up. After communism, the church's political role is more subdued. Cardinal Jozef



Broder, Cardinal Glemp, the Polish primate, has been a broker between Solidarity factions, just as he was between the communists and Solidarity.

The past year's most overtly political gesture, a bishops' statement supporting Lech Walesa as a presidential candidate, showed the church was not an effective mobiliser of votes.

In the first round of the elections, the church was neutral, favouring neither Tadeusz Mazowiecki, the Solidarity prime minister, nor Mr Walesa, the Solidarity chairman. Both were regarded as good Catholics.

When Mr Mazowiecki was knocked out, the contest was between Mr Walesa and Stanislaw Tymiński, an emigre businessman and a divorced man with ex-communist ties on his staff. The church firmly backed Mr Walesa.

specialist on the church, points out: "Forty per cent of citizens failed to vote. Add to this the 23 per cent of Mr Tymiński's supporters who also voted against the bishops' advice. Perhaps the church is not as powerful as it thought."

The church is now concentrating on lobbying on social issues. This will be a theme of the Pope's visit to Poland this year. His message will be that communism has sapped the Poles' spiritual values and discipline, especially among young people. A Catholic state must therefore build into its laws moral safeguards for the young, including religious education in schools and an abortion ban. Such changes are already under way.

Anti-abortion legislation has brought protest from the intelligentsia. Under the current bill, which was not as strict as intended by the church, doctors performing abortions can be jailed, for up to two years, unless the woman's life is in danger.

Many hospitals, scared of legal action, are already refusing abortions, even on rape victims, and back-street abortion is thriving.

The church is no longer a monolith. Although it recognises the opportunities created by the death of communism, it is divided about the merits of the capitalism replacing it.

Lech there be light.



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Why keep business people in the office when you can send them out to seek your fortune?

THERE WAS once a Managing Director who was very fond of calling Monday morning meetings. At these meetings he loved to play the powerful, gritty businessman. One such meeting involved the MD and his two top execs. The MD pretended to stare absently out of the window, like businessmen do in the movies.

"I have...", he stopped and coughed a little. His voice was too high, too thin. He went down a register. More gravitas. More Wall Street. "I have been reviewing our quarterly sales figures. Your departments both did very well. So what I want you to do now is to recommend how we might boost our business. You might," he said, as though it were a throw-away line, "like to think of it as a little test."

The MD watched their reflection in the window, waiting for a reaction. But they didn't get to be his top people by not knowing his little games.

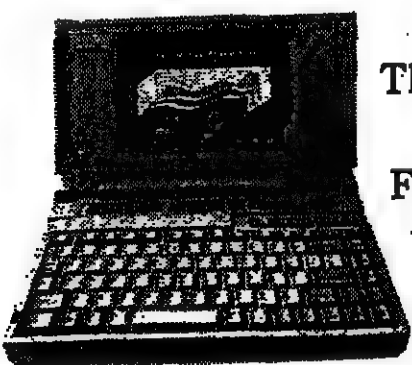
On the day of the presentation, the executives met at the lift door. Each carried a briefcase. "Have you got what the Old Man wants?" said the first executive. The other executive paused and looked down at his briefcase on the floor. "Yes, I think so. Let's go upstairs and see if he thinks so."

The MD's office was known throughout the company as The Sweat Box.

"Oh, there you are, come right in. I can see from the bags under your eyes you've been working hard. Good to see. After all it's what I pay you for, isn't it?" he said, turning up the heat a little. "Now who's going to start?"

With obvious pride, the first executive produced a weighty report.

"This is a recommendation for equipping the company with the latest in desktop computers. I'll spare you the technical details until later. However, I should stress it is my belief that if we were better organised here, in our own office, we'd seem better organised to our clients. Computers are the answer. I have one set up downstairs. When we're through here, I'll take you down and give you the hard sell on the hard disk."



"Very good," chuckled the MD, "very good indeed. Now let's see what your colleague, here, has to say." The second executive had been watching intently.

"My recommendation is for computers, too. It's not surprising, really, it's the way the business is going. Faster prediction, more powerful analysis, the ability to see which way our markets are moving. Naturally, the computer I am recommending uses our existing software - Microsoft Word and Lotus 1-2-3. It can tie into our existing network, even address the company mainframe and it has 386SX technology as well as 40 megabytes of internal storage."

"Great," said the MD, "so far you're both selling me the same idea. Why is yours the recommendation I should go with?"

"This is why." The executive pushed his briefcase over to the MD. But there wasn't a report inside. There was a portable computer. The MD lifted it out. "Ah yes," he said, "the Toshiba T2000SX."

The executive was encouraged. "They'll give us the freedom to work anywhere. We won't be tied to our desks anymore. We'll be able to work on trains, in clients' offices, on the weekends. We'll be..."

"It's okay," interrupted the MD, "you've sold me. I know what portable PCs will mean to this company."

"You do?"

"Yes. Of course I do. I just wanted to see which one of you did."



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Then and now: a computer of 1952, which, a reporter wrote, "thinks with the combined mental effort of 400 trained clerks" and (right) a modern personal computer in use in a hospital.



Makers nurse a new market

The personal computer was the high-tech miracle of the Eighties. During the decade it was transformed from a mysterious machine used by backroom boffins into an essential feature of every sophisticated executive's desk.

All the computer and electronics companies rushed for a slice of the action, from traditional mainframe manufacturers such as IBM, to fiercely competitive consumer electronics companies such as Amstrad. A host of high-flying companies was born, including Apple, Dell and Compaq, which achieved sales of \$3.6 billion (£2.09 billion) last year.

But when IBM celebrates the tenth birthday of its personal computer this summer, it will face a decade of much slower growth. Industry experts believe the heady days of 30 per cent annual expansion in the PC market are over.

British business has become almost saturated with computers. Now the industry hopes the latest technology will boost sales, Jane Bird reports

We are rapidly approaching market saturation, says Andy Baul-Lewis, senior analyst for the European PC group of International Data Corporation, the consultancy. "PCs don't wear out. When a new desktop microcomputer is bought the old one does not get thrown away — it is passed down the organisation to someone else."

Even Apple, with a range of impressive new products at both ends of the market, is struggling. Shares tumbled earlier this month when the company announced a decline in gross margins. In the UK, Alan Sugar, boss of Amstrad, reported an appalling start to the year, although aggressive price cuts boosted volumes in March.

New technology alone will not rescue the market. More than half the PCs now being sold are based on Intel's 386, which was launched in 1987. "When Intel released the 386 it gave a boost to the market, and people expected a similar thing to happen when the 486 came out at the end of 1989," Mr Baul-Lewis says. "But it was a damp squib — only 30,000 486-based machines were sold in Europe in 1990."

One problem is that advances in hardware are not being matched in software — the instructions that enable the computer to perform useful tasks.

As volumes slow, companies geared to high growth will need to make radical changes. Compaq, for

example, is diversifying at both ends of the market with a new portable machine and a range of high performance workstations for advanced users.

Compaq anticipates a growing replacement market. At the moment, 80 per cent of its sales are to new users, and 20 per cent replacement. By 1995 the company expects the figures to reverse.

"Virtually every financial dealer now uses a desktop computer and the vast majority of auditors carry portables, but some of these are very old machines," says David Clarke, the company's UK marketing director.

What the industry needs is an equivalent of the IBM PC to trigger

a new round of spending. In an attempt to create this, 21 companies got together this month to announce Acc (Advanced Computing Environment) — a collaborative project aimed at developing common standards for the next generation of machines.

These computers will use a powerful and efficient processor chip design known as Risc (reduced instruction set computer). "The new machines may be incompatible with today's PCs, but at some point users have to make the break with the old technology if they are going to get the best performance improvements," Mr Baul-Lewis says.

Acc comprises industry leaders such as Digital Equipment, Compaq, Tandem and Microsoft. Whether it will be able to repeat the IBM PC model that revolutionised the computer industry of the Eighties remains to be seen.

Electronic mail delivers late

Everyone will soon be at the end of a computer line pouring out messages, Chris Partridge predicts

Electronic mail has been on the way for ten years now and is still expected soon, a delivery record of which Queen Victoria's postal service would be thoroughly ashamed.

In the background, however, there has been a steady rise in the number of people whose first action when they get into work is to check their electronic mailboxes and who regularly send messages and swap data directly with other computer users.

Recently, the industry has been restructured by takeovers, shaking out the weaker companies and giving the leading suppliers user bases large enough to warrant continued investment in a technology that has, so far, proved unprofitable.

The public electronic mail services, which can be used by anyone with a personal computer to send messages, have been combining to gain enough customers to become profitable.

British Telecom's Gold service, based on the Dialcom network that BT bought from ITT, has been enlarged by the purchase of Tynnet, once Dialcom's biggest rival. The process of integrating the two has just been completed under the Global Network Services banner. AT&T's Intel service, originally British Leyland's private network, has acquired the American-based Easy Link.

Private electronic mail systems, which run on computer networks, are also attracting renewed interest. Two of the premier software companies, Lotus and Microsoft, have recently bought small, expan-

ding companies with innovative products to ensure a place in the market.

Microsoft's purchase, a Canadian company called Consumers Software, gave it a modern and capable system to add to its rather limited existing package, which ran only on Apple networks. Lotus chose the strongly networked ccMail to add more features to its Lotus Notes communications database.

At present, there are substantial barriers to more widespread acceptance of electronic mail. Few directories of public electronic mail numbers exist and communication between different software packages is impossible except at a very basic level, even if the number is known.

On many systems, especially the public systems, there is no way of knowing that the recipient regularly checks his electronic mailbox. The international telecommunications companies are trying to remedy this by introducing a set of world standards for electronic mail called X.400, which is beginning to be introduced after several years of frustrating delay while technical details were sorted out.

The X.400 lines will be able to handle faxes, telexes, computer graphics, short bursts of voice, and even, some time in the future, animations.

Directories for electronic mail are being developed under the X.500 international standard. With the advent of electronic data interchange, or EDI, almost everyone is going to be placed at the end of a computer line.



Desktop PC software that can link up to eight users: Bob Smith, of ICL, signs on the dotted screen

Dangers of thieves in the night

There is no such thing as 100 per cent protection against computer fraud but companies could be doing much more to guard their personal computer networks against outside intruders and light-fingered employees.

As companies continue to ignore the threat from hackers and criminals they play a daily game of Russian roulette, according to security experts Mike Rentell and Peter Jenner, authors of *Breakdowns in Computer Security*, a compen-

dium of about 100 recent computer fraud incidents. "Incidents involving computers where victims have suffered serious consequences happen surprisingly often," says Mr Jenner, the principal consultant of the PA Group's security centre.

"Most of these losses could have been prevented had sen-

sible computer security precautions been in place."

Electronic Data Interchange (EDI) — the electronic transfer of structured business information, Document Image Processing (DIP) — the electronic storage, retrieval and processing of documents and laptop computers are just three areas of current interest where se-

curity procedures should be monitored closely to avoid fraud and theft.

EDI brings together suppliers, customers, business associates and competitors over a common network.

However, the advantage gained by speeding up the information flow between partners disappears if a hacker

breaks into the system and sabotages confidential files. Sensitive business data can also be re-routed mistakenly.

DIP helps to cut conventional storage overheads and improves office communications.

But the proprietary nature of some documents, such as insurance claims or legal con-

tracts, poses an attractive target to industrial spies.

Many companies equip their travelling salespeople with portable computers but few have thought about what could happen should one be stolen. It is vital that companies constantly review how exposed their computer equipment is to theft, fraud, hacking, viruses and so on before expensive and damaging incidents occur.

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All the hues that are fit to print

The cost of printers is coming down and sophisticated ones are in colour

Fancy text fonts, subtle shading and three-dimensional colour graphics now adorn many desktop computer screens. However, special effects are little use if they cannot be reproduced on paper.

Although word-processing has been transformed into on-screen text publishing, the output of a conventional office printer at best resembles that of an electric typewriter, (Jane Bird writes).

There is a huge demand for high-quality printing, says Nicky Ayre, printer manager at Hewlett-Packard, the American manufacturer, which leads the market.

"Users can display elaborate text and diagrams on screen and expect to be able to print them out. They realise that often the first contact with a customer is on paper, so top-quality printing can mean the difference between winning and losing a sale."

Leading the range is the laser printer, which uses a high-speed, electro-photographic process to generate a camera-ready printout. Black-and-white laser printers are rapidly becoming cheaper and affordable — the price of six-page-a-minute machines has plunged to below £1,000, a quarter of its level when introduced by Canon of Japan in 1983.

Recently another technology has begun to gain ground — ink-jet. This involves squirting ink at the paper to produce extremely clear text and graphics.

Early ink-jet printers were expensive to run and prone to clogging. Their cartridges were messy to change and reminded users of their school-days and ink pens.

However, developments pioneered by Hewlett-Packard and Canon have made ink-jet printers much cleaner and more efficient. A small cartridge refill costs about £20, which includes a new print-head, so the most unreliable part of the printer is regularly replaced.

Ink-jet printers based on Canon's BJ-10s, such as the Apple StyleWriter, are available for less than £300. Similar devices are expected soon from Olivetti, Mannesmann Tally, Brother and Epson.

Ink-jet printers are also available in colour for about £1,000, but more expensive colour thermal devices are proving popular. Best-known for their use in fax machines, thermal printers produce richer colour than ink-jet.



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Archaic laws that leave us all at sea

A recent report from the Law Commission and the Scottish Law Commission recommended that the law covering the documents used in international sea trade should be updated.

The report included a draft bill, which could be introduced into Parliament. This dry-sounding subject is, or should be, of concern to far more than a handful of maritime lawyers, as it is an integral part of Britain's invisible earnings.

International seaborne trade does not involve simply a ship and her cargo. Supporting every shipment is a complex web of contracts, including contracts of sale, carriage, insurance and banking. At the centre of the web lies the bill of lading, a document that starts life as a receipt for goods loaded on a ship. The bill sets out the terms of the contract under which the goods are to be carried to their destination.

The rights in this contract can be passed down the chain of buyers, every one of whom can claim on the carrier if the goods are lost or damaged during the voyage. The bill is also a document title to the goods, so that it can be taken by banks and finance houses as security for loans financing the



LEGAL BRIEF

Brian Davenport, QC
(left) argues that new laws would help to bring order to Britain's maritime muddle

purchase of the goods. The shipowner is protected from claims for misdelivery, if the goods are delivered to whoever presents the bill to the master at the discharging port. If the bill did not exist, it would have to be invented — except, of course, that whatever was invented would not be half as subtle or clever as what was devised by English law.

Much of the law on bills of lading was created in the 19th century, but there have been fundamental changes in the shipping industry since then, particularly in the past few years. If

English law is to occupy its traditional place in the vanguard of maritime legal systems, the law that covers bills of lading has to be updated.

This is not to say that a system under which untold millions of tons of cargo are carried annually has any fundamental defects. The law needs modernisation, not a revolution.

Because the bill of lading has to be physically passed from every buyer to every seller via banks and other interested parties, its progress from first seller to last buyer may take much longer than



Bulk billing: in cross-Channel trade, the bill of lading often cannot reach even the first purchaser before the ship's cargo is unloaded

the voyage. In the short sea trade, such as cross-Channel, the bill cannot reach even the first buyer before the cargo is unloaded.

A substitute for the bill of lading, the waybill, is used but in many respects it is a poor substitute. Buyers' claims can be very long and even if bills of lading are used, they can cease to have effect when the cargo has been unloaded. The draft bill gives protection to users of waybills and to long chains of buyers. The bill also simplifies the question of who can sue on a bill of lading.

As ships have become larger, the quantities in every hold, or tank, have become so great that buyers do not want to take a single bill of lading for so large an amount.

Shipowners now give those who buy part of a larger bulk a delivery order, a sort of first cousin to a bill of lading. The draft bill gives those who take a delivery order similar rights to those given by a bill of lading. In addition, those who buy an unspecified part of a larger bulk must be entitled to sue, a right that is at present uncertain.

The electronic transfer of company shares may soon become a reality. Such transfers of bills of

lading present vastly greater problems but must surely come about in the foreseeable future.

The draft bill allows the necessary changes in this technical area of the law to be made at a later date. This is a case of the law marking time while the advance of science catches up, rather than the reverse.

Because so many interests and legal relationships are involved in a single bill of lading, reforms of the law must inevitably be detailed, at least in part.

British shipping is still an important factor in our economy and

the use of London for insurance, both ship and cargo, for banking and for the many other services needed in international trade is an essential part of our invisible earnings. Other centres are doing all they can to offer services that they claim are better than those Britain can provide.

If London is not to become a backwater in international trade there should be no delay in giving effect to the draft bill recommendations annexed to the report of the Law Commission.

● The author was a law commissioner from 1981 to 1988.

Law Report April 23 1991 Court of Appeal

Licence to occupy employer's bungalow ceases on ending of employment

Norris (trading as J. Davis & Son) v Checkfield
Before Lord Justice Balcombe, Lord Justice Woolf and Lord Justice Staughton
(Judgment April 18)

An employee granted exclusive possession of a bungalow belonging to his employer so that he could better perform the duties of his employment, occupied it as a service licensee even though he was never in a position to perform the duties required of him.

Moreover, the licence was not a "periodic licence" for the purposes of section 5 of the Protection from Eviction Act 1977 so that no notice to quit had to be served to determine the employee's licence, it expiring automatically on the cessation of his employment.

The Court of Appeal so held in dismissing an appeal by the employee, Stephen Checkfield, from the judgment of Judge Hamerton given at Brighton County Court on April 24, 1990

ordering him to deliver up to his former employer, Jesse Norris, possession of No 2 Highfield, Haverhill.

Section 5 of the 1977 Act, as amended by section 32(1) of the Housing Act 1988, provides: "(1A) ... no notice by a licensor or a licensee to determine a periodic licence to occupy premises as a dwelling ... shall be valid unless (a) it is in writing and contains such information as may be prescribed, and (b) it is given not less than four weeks before the date on which it is to take effect."

Mr Martin Seward for the employee, Mr Martin Zeidman for the employer.

LORD JUSTICE WOOLF said that the first issue was whether an employee who had exclusive occupation of premises and paid rent could be a licensee if his existing work did not, although his future anticipated work would, benefit

as a result of his being in occupation. In 1989 the employee began the employment as a semi-skilled mechanic. He was given possession of the bungalow close to his work place, by his employer on the conditions that he would be able to drive coaches for the employer's business and would apply for a part-time service vehicle licence.

For that work it was desirable that the employee was in the bungalow as it would make him easily obtainable in an emergency or if there was urgent work. Before moving into the property the employee signed a document confirming the terms of his occupation: it referred to him having "a licence" and that on termination of the employment that licence would cease forthwith. The employee agreed to £5 a week being deducted from his salary in relation to his occupation.

In December 1989 the employer, finding that the employee was disqualified for driving, dismissed him summarily and began the possession proceedings. In relation to the licence issue as to when it was considered that which existed in fact at the time the licence was entered into and the employee's occupation of the premises was irrelevant to his employment as a mechanic. The judge was entitled to conclude that the employee was a licensee. He was allowed into occupation on the basis that he would work as a coach driver. It would not be sensible to restrict an employer's ability to grant a licence to situations where the employee's employment which would be benefited by his taking up occupation commenced simultaneously with or prior to the occupation of the premises.

What was required was sufficient factual nexus between the commencement of the occupation of the premises and the employment. If it became apparent that the employee was not going to be able to fulfil the requirements of that employment within a reasonable time the position might have been different. But if it was contemplated, as here, that the employee would within a reasonable time be able to take up the relevant employment that would suffice.

It was a case where it was proper to regard the defendant as going into occupation as a licensee in order better to perform his duties when he became a coach driver. The second issue that arose was as to the application of the requirements as to giving of notice to quit. No notice was given to the employee that complied with section 5(1A) of the 1977 Act, as amended.

Having regard to the document signed by the employee, the weekly deduction made from his wages by way of rent was not sufficient to turn his licence into a periodic licence. Section 5 of the 1977 Act would not apply to the majority of employment licences. They would usually end with the employment. If premises were required to be occupied by an employee for the better performance of his employment, it was sensible that the premises should be required to be vacated as soon as the employment came to an end so that they could be occupied by another employee.

Lord Justice Staughton gave a concurring judgment and Lord Justice Balcombe agreed. Solicitors: Heston & Co, Reading; Messers, Idle & Bracken, St Leonards-on-Sea.

Lord Justice Balcombe gave a dissenting judgment. He considered that the employee was a licensee. He was allowed into occupation on the basis that he would work as a coach driver. It would not be sensible to restrict an employer's ability to grant a licence to situations where the employee's employment which would be benefited by his taking up occupation commenced simultaneously with or prior to the occupation of the premises.

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Gravitational flow replacing water drawn off is not abstraction

British Waterways Board v Anglian Water Authority and Another
Before Mr Justice Mervyn Davies
(Judgment April 12)

The gravitational loss of water from a canal, vested in and managed by the British Waterways Board, replacing water drawn from a connecting outfall channel by an occupier of land contiguous to the canal under a licence granted to him by the Anglian Water Authority was merely a consequence of the occupier's spraying operations and not an abstraction from inland water as defined by section 135(1) of the Water Resources Act 1963.

Mr Justice Mervyn Davies so held in dismissing an action by the plaintiff, the British Waterways Board, which alleged that the granting of a licence by the first defendant, the Anglian Water Authority, (a predecessor to the National Rivers Authority) to the second defendant, W. Allison & Son (a firm) was *ultra vires*.

Section 125 of the 1963 Act provides: "(1) In this Act ... the following expressions have the meanings hereby assigned to them respectively ... 'abstraction', in relation to water contained in any source of supply in a river authority area, means the doing of anything whereby any of that water is removed from that source of supply and either (a) causes (either permanently or temporarily) to be comprised in the water resources of that area, or (b) is transferred to another source of supply in that area, and 'abstract' shall be construed accordingly."

Mr Gareth Williams, QC and Mr Anthony Seys Llewellyn for the plaintiff; Mr Gerard Ryan, QC and Mr Philip Petchey for the defendants.

MR JUSTICE MERVYN DAVIES said that the National Rivers Authority ("NRA") established by the Water Act 1989 was the successor to the Anglian Water Authority ("AWA") and other water authorities in relation to water resource functions: see section 4. It was agreed that the NRA should be regarded as the first defendant.

The dispute was about taking water from an outfall channel that joined the Ousepasture Drain to the Fossdyke Navigation Canal in Lincolnshire.

On June 11, 1986 the AWA granted a licence to the Allisonsons to abstract water from the outfall channel subject to provisions specified in the schedule to the licence.

BWB contended that on the true construction of section 131

of the Water Resources Act 1963 AWA were not empowered to grant that licence. They sought a declaration that the grant of the licence was *ultra vires*. It was common ground that the law had to be considered as it was in 1986.

The Fossdyke Canal was vested in and managed by BWB which was formed by the Transport Act 1962. Section 10 of that Act enacted, *inter alia*, that it should be the duty of the board to provide services and facilities on the inland waterways owned or managed by them.

Section 10(3)(d) empowered the board to abstract and sell untreated water from any inland waterway owned or managed by the board for any purpose. A licence to abstract water had generally to be obtained from the AWA (now NRA).

The granting of licences to extract water was governed, for present purposes, by Part IV of the 1963 Act. A complication was introduced by section 131 of that Act. It was common ground that that section, see subsection (1), applied to the Fossdyke Canal as being an inland waterway owned or managed by BWB.

Section 131(2)(a) provided that in respect of abstraction from the canal no person other than the board should be entitled to apply for a licence.

The Allisonsons were the occupiers of land contiguous to the outfall channel which was admittedly an inland water and were therefore entitled to apply for a licence pursuant to section 27(2) of the 1963 Act.

His Lordship gave details of the licence which showed that water might be taken from a restricted length of the outfall channel.

The issue was that since the BWB and no one else might be licensed to take water from the Fossdyke Canal the Allisonsons were licensed to take water from

that canal? In his view they had not. 1 The Allisonsons had been licensed to abstract water from the outfall channel which was a separate source of supply within section 2 of the 1963 Act. The canal was admittedly a separate source of supply so it was not right to regard the canal as a dead arm of the canal and more particularly so because the channel and the canal were in separate ownerships. Thus the licence did not in terms authorise the abstraction of water from the canal.

2 There was the suggestion that, by reason of the wide definition of abstraction in section 135 of the 1963 Act, the licence in effect authorised the abstraction of water from the canal because it was inevitable that once water was taken from the outfall channel there would be a consequential flow from the canal into the outfall channel.

But to cause water to move was not to remove it. The water that flowed into the outfall channel to replace the removed water did not have to be removed by anything done by the Allisonsons. Their activity simply induced a flow from the canal to the channel. To abstract by removing water was a positive act and there was no positive activity by the Allisonsons that could be regarded as a removal of water from the canal to the channel.

3 Section 30(2) of the 1963 Act plainly contemplated that abstraction was to be effected by some appliance. No appliance operated in effecting the consequential flow from the canal to the channel.

The licence did not, therefore, authorise abstraction of water from the canal, was not *ultra vires* and the action was dismissed.

Solicitors: Mr R. J. Duffy, St Pancras; Miss Della Stone, Peterborough.

Outburst in court

Regina v Boyes
Where, in a rape case, before the jury retired to consider their verdict, the complainant's mother shouted from the gallery of the court: "When is it going to come out about the other five women he attacked — the other girls he defiled?", the trial judge should have required the jury whether they had heard what was said before coming to any conclusion as to what action he should take.

The Court of Appeal (Lord Justice Watkins, Mr Justice Boreham and Mr Justice Tucker) so held on April 12 in allowing an appeal by Paul William Boyes against his conviction at Gloucester Crown

Court (Judge Hutton and a jury) on September 26, 1990 for rape and indecent assault.

LORD JUSTICE WATKINS said that it was beyond a peradventure that if the jury had heard those words they could well have concluded that there were further charges in the background and, if that were so, then one could hardly think of anything more damaging or prejudicial to the defence case.

Such a situation called for the best help by counsel to the judge and very careful contemplation by the judge, preferably upon retirement, as to what he ought to do. It was somewhat surprising that neither counsel had invited the judge to consider a fresh trial.

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have recently joined Chambers.

With effect from 1st May 1991 **PETER WEITZMAN QC**, Leader of the Midland and Oxford Circuit will become Head of Chambers. **STUART SHIELDS QC** has retired from the position of Head of Chambers but will continue to practise at Devereux Chambers.

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Clients may so demand that the lawyers have certificate of quality says Edward Fenn

Like it or not, many large firms are "fish or cut bait" when it comes to quality. The Law Society's new initiative to improve quality management on quality management according to the Society's standards, there is a strong possibility that by the end of the decade Standard 100, which will be a minimum of quality systems, will be commonplace. English and Welsh law firms are already being asked to join the initiative. The Law Society's new initiative to improve quality management on quality management according to the Society's standards, there is a strong possibility that by the end of the decade Standard 100, which will be a minimum of quality systems, will be commonplace. English and Welsh law firms are already being asked to join the initiative.

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There i

POLL taxes existed in England as long ago as the 14th and 15th centuries, and were as much resented then as now. There was even a window tax from 1696 to 1851, illustrated by the walled-up window spaces one can still see. Only recently did the taxman turn his eyes, and hands, to the law, imposing 17.5 per cent VAT on legal services.

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Kite marks call for legal eagles

Clients may soon demand that their lawyers have a certificate of quality, says Edward Fennell

Like it or not, management jargon such as "total quality management" and "customer care" will be heard increasingly around law firms in the next few years. The Law Society intends to issue a briefing document on quality management, and, according to the society's Andrew Lockley, there is a strong possibility that by the end of the decade British Standard 5750, which covers the maintenance of quality control systems, will be commonplace in English and Welsh law firms.

The so-called bulk buyers of legal services such as the Legal Aid Board may start to insist that firms gain recognition under BS5750, and that will give many firms little option," Mr Lockley says. "Either they will be registered or they will cease to do publicly funded work."

Already in the surveying profession the Property Services Agency has shown that it prefers to allot work to quantity surveyors registered under BS5750, a kind of kite mark. It would be a natural development for the government to follow suit in the legal profession.

BS5750 essentially covers what must be done to achieve quality rather than how it is done. Experience elsewhere in the professional world has shown that the British Standards Institution disciplines are rigorous and will inevitably cause middle-ranking and lower-ranking law firms, and perhaps even barristers' chambers, to re-examine



Quality service: by the end of the decade, a BS5750 kite mark for lawyers could be commonplace, says Andrew Lockley at the Law Society

their operations and the meaning of quality. For most successful organisations, this implies only a slight modification of existing practices to satisfy the detail of the BSI. It is the mediocre firms that need to change most to meet standards.

So far, only Roger Pannone's firm, Pannone March Pearson, in Manchester, has achieved registration with the BSI, but other progressive firms, particularly in the regions, are keen to follow suit.

The meaning of quality in the legal context is an interesting issue. Most law firms pride themselves on providing high-quality services, but nobody is sure whether that means

they devise ingenious solutions to difficult problems, or that they promptly answer letters and return telephone calls.

Measuring the quality of legal services may be difficult. For example, BS5750 has proved enormously popular in the engineering industry, but lawyers will want to look in detail at its relevance to their practices. For example, a participant at a recent conference on quality organised by *The Lawyer* magazine was sceptical about bureaucratic processes, arguing that the ultimate arbiter of quality should be the client. The problem is, however, that if the client is a lay

person, he or she will be ill-placed to make an informed judgment. That is why lawyers are suggesting that registration will have the greatest impact on the mass-production type of legal services, where opportunities for supervision by partners are limited.

Victor Semmens, the chairman of the national network Everheds, happily agrees the need for registration. Quality is central to the way his member firms are being integrated into a coherent national unit, he says. However, if the national firm is to have any "added

value", it has to guarantee quality of performance in all respects.

Cavan Taylor, the incoming senior partner at Lovell White Durand, says most of his firm's clients are sophisticated users of legal services and can compare performance. The high emphasis placed on quality during staff training is part of his firm's culture.

However, although a firm such as Lovell may not be troubled by the Legal Aid Board's demands, it may find its larger clients, who are registered under BS5750, prefer their lawyers vetted in this way. What is good for the client must be good for the professional adviser.

INNS AND OUTS

Exit the layman

WHEN 2 Hare Court brought in non-lawyer Tim Barker as director, the move was welcomed by barristers' chambers that wanted to move into the 21st century. Old habits die hard, however. Mr Barker, who joined in January 1990, left in February this year.

When asked about his departure, he declined to comment. The set described the parting as "amicable". Stanley Brodie, QC, said: "It was not a failure as an experiment, nor a disastrous mistake. It just unfortunately did not work out."

The signs are, however, that the Bar's first taste of the outside world of management, and vice versa, came as a shock. Mr Barker, formerly a Trustee Savings Bank manager, devised a business plan, but the tenants could not agree on the way forward. The chambers intend to advertise for a new director once it has "clarified the issues".

northwest, its record as an employer and its commercial, technical and financial success. While other law firms in the area close branch offices, Goldsmith Williams, which won in the section for up to 75 employees, says the key to its success is a large throughput of cases, handled by experienced lawyers, backed with specialised computer systems. "We want to make what we can from legal aid but also give a quality service," one partner says.

Country coup

WILSONS, a ten-partner firm in Salisbury, Wiltshire, has scored a coup with the acquisition of McKenna's private client department together with two partners.

Wilson, which specialises in company and commercial tax planning, property and litigation, and is known for its private client work, believes the deal shows a growing realisation that such work can be handled as well in the regions as in the City, and more cost-effectively.

Mums' charter



NEARLY twice as many women return to work after childbirth, and many more are working full-time than ten years ago, according to a survey by the Equal Opportunities Commission. However, the survey also showed that two in five women in Britain do not qualify for the right to return after pregnancy because of the limits of the statutory entitlement.

The findings will fuel the case for Britain to adopt the European Community's pregnancy directive, now being discussed by the Council of Ministers. This would extend statutory employment protection to all women, regardless of length of service or working hours.

SCRIVENOR

Unscrowed

THIS month's Legal Action Group journal reveals that on February 11 the Attorney-General told MPs in a Commons written answer that four screwdrivers worth £1.20 together had disappeared from the Serious Fraud Office in the past three years. His office and that of the Treasury solicitor have mercifully been free from theft. The Crown Prosecution Service, however, has lost goods worth £10,605, including a £400 lawnmower.

Quality winner

ANOTHER Liverpool firm has proved that legal aid can pay. Goldsmith Williams has become the first law firm to win a North West, Business and Industry Award.

The firm was set up by two partners in 1984 with three part-time secretaries. Today it has five partners and 55 staff, and offices in Liverpool's city centre and in Birkenhead. The growth is all the more surprising as most of its work is civil legal aid. The firm has about 700 tranquilliser-addiction cases at present.

The awards are given for a firm's contribution to the

There is no place for a tax on justice in Britain

POLL taxes existed in England as long ago as the 14th and 15th centuries, and were as much resented then as now. There was even a window tax from 1679 to 1851, illustrated by the walled-up window spaces one can still see. Only recently did the taxman turn his eyes, and hands, to the law, imposing 17.5 per cent VAT on legal services.

I make a strong plea for this tax to be abolished or given a zero rating. As a grudging

"Why do we pay VAT on legal services when medical treatment is exempt?"

alternative, the tax could be graded according to the class of work. I regard any legal services tax as unjustifiable. It is a tax on justice. At £17.50 in £100 it may not sound a great deal, but few legal services are available for £100 and the VAT is an accumulating tax in that a solicitor must claim it, and counsel, if consulted, and in litigation it is

renewed for solicitor and counsel and becomes part of the case costs.

The amounts involved often run into hundreds of thousands. There is no possible justification for this tax in a country that prides itself on its ready availability of justice. I do not pay VAT to my doctor, surgeon or dentist, so why

should I pay it to my solicitor and, respectively, my counsel? Legal help can often be more urgent and more important than medical treatment.

Big companies and big businesses can offset the tax within the VAT system or against general tax. Similarly, to a greater or lesser extent, a person registered for VAT need not worry about reason-

able sums for legal services. But what about individuals of modest means, already heavily taxed and not registered for VAT? This applies to many.

It is a person's fundamental right to be advised of his rights and duties and to pursue or defend a claim. To tax him on this right is wrong. Critics often claim that legal costs have got out of hand, but

could we not start tackling this by getting rid of VAT?

Surprisingly, professional bodies and members of the legal professions have ignored this matter. If King John had mentioned it at Runnymede in 1215, the barons would have drowned him in the adjoining river.

JAMES COMYN

Mr James Comyn is a former High Court judge and a former chairman of the Bar.

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Courteous hero from daring sporting age

Motorists divide into two types: those who, when out-driven going into the roundabout, bawl "who do you think you are, Stirling Moss?" at the offender's departing exhaust. And those who yell "Oi you, Fangio!" Why do we recall so vividly these two men when it is three decades since they stopped doing what they did best? Not because of their unequalled success: Juan Fangio was five times world champion; Moss, not once. We have them clear in mind partly, of course, because they lived when many of their rivals died.

We remember them mostly because, courtesy of Pathe and Movietone, they lit up that black-and-white world with the vivid colours of speed, daring and idealism. Their races sent a generation of schoolboys home to build their own BRM from a margarine box and four gram wheels, to reverse their kindergarten caps in imitation of Fangio's leather helmet, and to make a down-payment on a fantasy life that explains the world's brink-driven Corvairs.

Any male of that generation would have paid well for my place at Sunday lunch with these two, listening to them capping anecdote with anecdote, talking with affection of their own heroes, the cars of the great marques. Do they know why they are still so well remembered? "I was always given the best cars," Fangio said. "Because of my odd christian name," Moss offered. You are not expected to believe either.

With only a few words of Italian as common language, the Argentine and the Englishman have been close since they first raced, in 1949. Admiration is its own translator. "In anything, ability forms a pyramid," Moss says, "with room for only one man at the top. In motor sport, Fangio has that place." When he retired in 1958, Fangio reveals, he gave Moss a clock inscribed: "To the future world champion." He adds now: "Wrong? Not about his driving. Just his fortune. The accident... Ah. When I first saw him I said 'This boy, Madam! What a man he will be.' But, Ah, his fortune."

Moss's memory of their first race in rivalry: "I was cheeky. In my little Cooper I had no real chance, but the great Fangio had lost his own line. So coming out of the bend I wriggled past and led him for about 50 yards until his power took over. He was bloody furious! But Fangio, who was right on his tail, also came past, laughing like a drain. That HAD to be the way to go about this racing... giving everything to it, except your sense of humour."

Brian James enjoys a Sunday lunchtime conversation between two of the legendary figures of motor racing

Why these two are together now is because Moss has produced a book on his hero and ours to mark Fangio's eightieth birthday. Dinners in London, Buenos Aires, Germany and Italy will be entertained with the tales of racing's great era which fill this book and which seasoned our lunch.

Fangio, born in the little town of Balcarce, was given his first car instead of wages for a year's work as the local blacksmith's apprentice, fell in love with driving and drove his first race in the village taxi, which he had to restore to hireable condition at the end. Fangio, at 38 Argentina's champion, came to Europe in 1949, the year Moss, then 19, also began. Moss puts down his fork. "I had conked. Went to watch the others. Farina, then the best, kept whizzing by this corner, missing the straw-bales by a whisker. But every time this other type came by, he clipped the bale and left a whisp of straw dancing in the air. Not often; EVERY time. At 95mph he was giving himself a half-inch more line for the corner. Phenomenal."

Precision then the key? Fangio points his fish knife. "Aiming a grand prix car at a bend is like throwing a dart. Once it leaves your hand it is too late for correction. You see a driver wrestling with the wheel, dramatic, but you know he is wrong. Sitting there, doing nothing, is the winner. Ten centimetres wrong going in, is a metre wrong coming out."

Then-compared-with-Now is a constant theme as the plates are changed. Fangio's 1950s cars, when he was visible from the waist up and we could see him at his work, looked so much more identifiable than the winged monsters that... "But no, I should LOVE to drive one of today's McLarens..." Fangio broke in. "And I could. They are not so much faster. Except through the corners, and for that they have wider wheels, wings... What machines! Senna and Berger have the same car, but they do a different job. If I was 26 now I could again be world champion in Senna's machine." But what if in Berger's machine, in other words, would you beat Senna? "I must give you diplomatic answer. I would hope to prove I had chosen the faster car." Then: "You see, you must always believe you will become the best, but you must never believe you have done so."

Massell and Senna LAUGHING at each other as they dice in the straight? Patrese handing Prost the keys to his own car? Could any of this happen now or ever again? "No," Fangio said. "I tell you why. The helicopters. Now all drivers fly off at the finish. When we ended a race we would all have dinner together. 'Had to,' Moss broke in. 'Only way you'd get your race money.'"

Fangio: "At those dinners we talked everything through. Anyone who had not acted in proper fashion, a cavalier, would be frozen out, until he had his lesson. We were very severe when a man was dangerous or rude."

But the helicopter was only a symptom of a greater influence. "Yes," Fangio said. "Mossy. The rewards are very great. Unimaginable. 'For winning the German GP,' Moss muttered, 'I was paid what I get for an hour's PR at the Motor Show now.' But inside themselves drivers begin for the



Fangio, in the Mercedes with which he won the 1955 world title, chats with Moss, yesterday. Inset: Fangio and Moss in 1958

"You are listening," Moss said, "to the world's most confidently humble man."

The Then-versus-Now hung in the air over other Moss anecdotes. He recalled the late Mike Hawthorn describing a race when he and Fangio had been wheel-to-wheel down the straight, looking across to glimpse each other's rev counters and yelling, laughing defiance at each other. Moss recalled the act of another lamented man, Peter Collins, who surrendered his car to Fangio at a pit stop to enable the Argentinian to finish a race on which his 1956 world title depended. Fangio added the tale of how Jack Brabham had given him a vital spare "even though he knew I would go on and beat him. And I did."

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same reasons we began racing. I saw that if I were driving today I would enjoy the money, but still I would conduct myself as I did then. Precisely so. And if I could not win being single-minded, yet also fair, then soon I should not race. I do not think race tactics have changed. But perhaps the ethics. Perhaps the respect for each other is lacking. Where is the honour to beat a man unless you have given him an equal chance?"

"Tell you something," Moss said. "When we were racing together [with BRM and later Mercedes] they used to call us 'the train.' That is because I used to try to thunder along behind him. He was my comfort blanket. The speeds, the manner he took those bends seemed crazy... but if Fangio thought it OK, I'd just cling as close as I could. And never, never once, as he lapped another

car, did he fail to gesture to the other driver to keep over, there was another rival coming through behind him, so not to hold him up."

Moss saw the need to form. "No... no, that couldn't happen now." Part of the eightieth birthday celebrations for Juan Manuel Fangio will be the opening of the Fangio motor-race museum in Balcarce. What you may capture in a hall are the cars and the trophies, the hub-cap-to-helmet-and-jockey-strap artifacts of the man. What no exhibit and increasing fewer men are able to describe is his profound part in an age of sporting daring that was then, and may never again be now.

* Fangio - a Firelli album, by Stirling Moss published by Pavilion Books Limited, 196 Shaftesbury Avenue, London, WC2 8RL. Price £25.

YACHTING

Racing's cream rises for top race

By MALCOLM MCKEAG

NINE nations have challenged for this year's Champagne Mumm's Admiral's Cup, the biennially-held British event which is accepted universally as being the unofficial world championship of offshore yacht racing. There is no official world championship.

Although challengers are fewer than in previous years, the nine - Australia, Denmark, France, Germany, Italy, Japan, New Zealand, United States and United Kingdom - represent undoubtedly the cream of the talent in international yachting.

While some observers view the fall in numbers attending the British event as evidence of failure on the part of the organisers (the Royal Ocean Racing Club) to keep grand prix yacht racing popular, neither Donald Pratt, the chairman of the event's management committee, nor Alan Green, the race director of the club, see things that way.

"We don't play the numbers game," Pratt said yesterday. "The Admiral's Cup is quite deliberately an elitist event, unashamedly for the best in the world. We are proud that nations like Japan and Australia still come halfway round the world to prove that."

"From what we know of plans these nations have made already, we can expect close racing of the very highest quality from the start of the offshore racing world," Green added.

The elite may still be keen, but worldwide economic difficulties have undoubtedly curbed their collective effort. The Netherlands, Ireland and Sweden are among those nations which have been forced to abandon Admiral's Cup plans simply because not enough owners with enough money could be found: one campaign can cost between £250,000 and £500,000.

□ The outright world sailing speed record was taken through the 50 mile per hour barrier last week when Thierry Bielek, of France, pushed his own previous best from 49.5mph to 51.43mph (44.66 knots). Using the same mile force winds which blew off racing at the Hyeres Olympic Regatta, Bielek set his record on the specially constructed speed canal at Les Saintes Maries de la Mer. Like all outright sailing speeders nowadays, Bielek used a sailboat.

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THE TIMES TUESDAY APRIL 23 1991

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FOOTBALL

Roxburgh forced to ignore his favourite partnership

By RODDY FORSYTH

WHEN the draw for the European championship qualifying groups was made, it appeared that Scotland's two encounters with San Marino — in Rimini next week and at Hampden Park in November — would offer the opportunity to continue a favourable entry in the goal difference column.

For anyone in charge of a Scottish international team, reality has a habit of contrasting sharply with such theories.

Thus, when Andy Roxburgh announced the names of the 22 who will travel to Italy on Monday, he was obliged to omit his most favoured attacking partnership of Johnston and McCosk, of Rangers, the only forwards who have succeeded in scoring more than a brace of goals for their country.

McCosk has been suffering from a groin injury that has prevented him from training for the past three weeks while Johnston, whose form dipped markedly soon after the New Year, has not been included in

Rangers' last two games. The reason given for his absence is a viral infection.

It was notable that when Roxburgh dealt with the omission of the Ibrox pair from his plans yesterday, he circumvented mention of Johnston, other than to say that he and McCosk would not be playing in Rangers' premier division meeting with Dundee United at Ibrox Park on Wednesday night and therefore could not be risked in Italy.

Having dealt with those who will not travel, the national coach then turned his attention to those who will be on the plane. "Only Andy Goram will have played in any of our six matches this season. I feel as if we should give him a book for full attendance," he said.

"Of our attackers, John Robertson is now the highest goalscorer, with two goals. Gordon Durie has also scored. The others haven't. Paul McStay is now the highest goalscorer in the squad with six goals.

"Looking at this game, you can call it a number of ways. If



Johnston out of squad

it was at Hampden, you would expect a few of them to add to their tally. But this type of match will find us up against a packed defence who will play in a very negative way and there is not a lot of space for strikers to exploit."

Having thus identified a context which is rarely conducive to Scottish optimism, Roxburgh was then invited to compare the potential for hazard of San Marino with the Faeroe Islands, who began their European championship

campaign by defeating Austria.

"I wish you hadn't brought that up," Roxburgh said. "What will happen is that they will have very limited expectations, but that's what makes them dangerous. They are new to the international scene and you can tell that with every game, they are learning more and more about how to frustrate and make life difficult for opponents."

"Inevitably, at some point they will cause someone some damage. Now we don't want to be us and that is why I want to make sure that we take our hard professional players with us. It's not a time for experimentation unless we're forced into that."

When pressed for his own hope for next week's contest, Roxburgh was content to observe that he would be glad to proceed into the close season with eight points from the ten available to Scotland when the season began. Since the Scots have presently earned six points, one may conclude that even a scraped 1-0 victory would not afford Roxburgh too many sleepless nights this summer.

□ The Dundee United captain, Maurice Malpas, has been named as the Scottish Football Writers' Association Player of the Year. Malpas, aged 28, who has won 41 caps for Scotland, beat off stiff competition from the Motherwell winger, David Cooper, to pick up the prestigious award.

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Barcelona banking on perfect solution

OVERSEAS FOOTBALL

by PETER ROBINSON

FOR the financial supporters of Barcelona, the perfect season would see the pride of Catalonia winning the European Cup, sitting on top of the Spanish league and glowing at the decline and fall of Real Madrid. This may not be the perfect season for the club, but for the Nuo Camp stadium it is getting mighty close.

The European Cup is out of reach but Barcelona already have one hand on the championship trophy and the gladdening sight of Real Madrid in mid-table, powerless to stop them. Two out of three ain't bad, and tomorrow night, they will attempt to add substantial compensation for the missing link — a place in the European Cup Winners' Cup final.

A visit to Juventus is always intimidating but Barcelona's 3-1 win at home in the first leg of their semi-final has caused much of the pressure. Juventus will have to win by two or more goals, and probably stop the Spaniards scoring themselves, if they are to spring a surprise. Hopes are not high in Turin.

In Barcelona, however, they are soaring. On Sunday, Johan Cruyff's side, an intoxicating blend of brinksmanship and brilliant, moved seven points clear of Atletico Madrid after a straightforward 3-0 victory over Sevilla. Atletico lost 1-0 at home to Real Madrid.

In Italy, Europe is almost taking a back seat to next weekend's meeting of Sampdoria and Lazio. First and foremost, the two sides could decide the championship. Sampdoria are three points in front after winning 3-2 at Bari on Sunday while Lazio were held 0-0 by Fiorentina.

□ The Vauxhall League will become the Diadora League next season after a £400,000 three-year sponsorship deal was signed with the Italian sports and clothing makers yesterday.

RUGBY UNION

Morrison's swift advance leads to World Cup place

By DAVID HANDS, RUGBY CORRESPONDENT

THE appointment of Fred Howard and Ed Morrison as England's referees for the World Cup completes the "home unions' list of officials for the tournament. The major exercise which remains for the panel of assessors is how best to use the talents at their disposal and that will be determined at a meeting in London from Liverpool, was widely expected to be one of England's nominees after eight years on the international panel, including the inaugural World Cup which he handled the third-place play-off game between Wales and Australia. However, Morrison, from Gloucestershire, has advanced swiftly; this is his second season on the panel and he has his first five nations' championship match only in January, that between France and Scotland in Paris.

Morrison, aged 39 and a cost-control engineer at British Aerospace in Bristol, was preferred ahead of the more experienced Colin High (Manchester) who, with Tony Spedding (Somerset), is a nominated referee. High of those places could go to Clive Allwright, the Welshman, regarded by many as one of the top three referees in the world.

Both the World Cup nominees have been given summer responsibilities. Howard will handle the game in Brisbane on July 21 between Australia and Wales, while Morrison takes charge of Romania's meeting with France in Bucharest on June 22. Spedding visits Canada next month to referee their international against Scotland and the United States.

The list of British and Irish appointments reads: England: Fred Howard and Ed Morrison; Scotland: Brian Anderson and Jim Fegan; Ireland: John Hilditch and Owen Doyle; Wales: Derek Bevan and Les Peard. In addition I understand that France have proposed Patrick Robin and Alain Coccon, Australia, Kerry Fitzgerald and Sandy McNeill, and New Zealand, David Bishop and Keith Lawrence, though the competing countries have until the end of May to confirm their officials.

The regulations allow for an additional nine referees from each of the other competing countries, plus two more. One of these places could go to Clive Allwright, the Welshman, regarded by many as one of the top three referees in the world.

WEST Hartlepool, champions of the third division of the Courage Clubs Championship, will miss their first league game on Sunday as they travel to Barnsley and are replaced by Doncaster Rovers. Asksens, their scheduled opponents, are given permission by the Rugby Football Union (RFU) to go ahead with the game (David Hands writes).

Asksens received a two-week suspension from the Kent disciplinary committee after the dismissal of their sixth player this season. Kent then gave Asksens permission to refer the matter to the RFU.

□ Michael Kiernan has been

IN BRIEF

Gautier is catching BOC rival

THE BOC single-handed round the world race looked set for a cliff-hanging finish yesterday as Christophe Auguin, in Groupe Scia, struggled to make progress in light airs approaching the finish at Newport, Rhode Island. Asstun, his rival, Alan Gautier, topped last night's 11-and-a-half knots in strong and favourable winds.

Although Auguin is 200 miles ahead on the water, Gautier has a credit balance of 21-and-a-half hours on overall race time. RUGBY LEAGUE: Jonathan Davies, of Widnes, was yesterday included among the three first division nominations in rugby league's men of steel

□ The St Helens coach, Mike McClelland, yesterday announced his team for the Silk Cut Challenge Cup final meeting with Wigan on Saturday. Opting for the 13 players who beat Widnes 19-2 in the semi-final.

□ ROCKEY: The International Hockey Federation is to consider changes to the rules of the game after the Olympic Games in 1992, including reducing the number of players in a team from 11 and allowing a greater interchange.

REAL TENNIS: Julian Snow, the world's No. 1 amateur, has won the Coupe de Bordeaux, the prestigious French amateur championship.

BOWLS: England and New Zealand are to play four matches at Worthing from May 26 to 31. The first of their preparations for the 1992 world championships.

GOLF: Nick Faldo has signed a five-year contract with the club designers and manufacturers Mizuno, expected to be worth £5 million.

BOXING: Tom Collins will challenge Leonie Barber of the United States, for a vacant world light-heavyweight championship in his home city of Leeds on May 9.

□ Jack "Kid" Berg, the oldest of Britain's world boxing champions, died yesterday at the age of 85. He won the National Boxing Association version of the world title by stopping Mushy Callahan in the tenth round in London in February, 1930, and defended it four times.

Obituary, page 16

Regulars return to Irish fold

BILLY Bligham has available most of his key players for the May 1 European championship match against the Faeroe Islands at Windsor Park (George Ace writes). He has added Paul Williams, a recent signing for £250,000 from Stockport County for the first time in his 18-season career from which Anton Rogan is the only notable absentee.

The fact that Alan McDonald, Danny Wilson, Nigel Worthington and Colin O'Neill — none of whom were available for the match in Belgrade against Yugoslavia last month owing to injury — gives Bligham a problem, which he says, he throws on. "Who to leave out."

Although qualification for the

European Championship finals is out of Bligham's grasp, he hopes that a final flourish may persuade the Irish Football Association to extend his contract, which expires next June.

NORTHERN IRELAND (v Faeroe Islands, May 1, P. Ace (Editorial), 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 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THE TIMES

SPORT

Borg a mix of iron will and wooden racket

From ANDREW LONGMORE, TENNIS CORRESPONDENT, MONTE CARLO

THE price of almost everything is high here. But the market value of curiosity as Bjorn Borg made the final preparations for his tennis comeback against Jordi Arrese, of Spain, today in the Monte Carlo Open has gone through the roof.

It is the reason why the crowd at Borg's final practice was bigger than the one on the centre court for the opening match of the tournament, why the crowd of journalists was bigger than both, and why, according to some, Borg's comeback, six weeks short of his 35th birthday, has already solved his much-publicised and probably much-exaggerated financial problems. But truth is harder to trade than opinion here at the moment.

Even the players have cast off their blinkers for a day or two. Many of them have had to rely on their videos or locker-room folklore for evidence of Borg's prowess and the players' gallery is guaranteed to be as full as the rest of the picturesque centre court when Borg returns to action, after seven years, on the centre court today.

"The players are looking forward to seeing him," Mats Wilander said. "I think they know what's going to happen. It will be a long match and there will not be much net attack, but they are curious to see if Bjorn is strong enough to win."

Curiosity drew Lennart

Bergelin, who guided Borg to five Wimbledon and six French titles, here yesterday; and also, to a lesser extent, Ron Thatcher, the professor of martial arts, who looked after Borg's physical and mental health during his prime. The pair sat several rows apart at the back during Borg's practice, not for the first time their views differing widely.

"It is sad," Bergelin said. "He should be helping the youngsters rather than playing against them. I still see him and think of him as a champion." Thatcher, who also answers to his martial arts name of Tia Honsai, says he was contacted by Borg for the first time in eight years late last year.

"He wanted to know if I would train him and I wanted to know whether he really wanted to do it," he said. Thatcher was a constant and rather incongruous figure as Borg pounded the courts at Queen's Club during the winter. Aged 79, he watches Borg through binoculars and has summoned all his martial arts training to test Borg's determination.

"He was 100 per cent when I first saw him," he said. "He has the body tissue of a man of 24 and his heart rate is very, very low. He is equally as fit as when he won Wimbledon. I look after his physical and mental training, that is all."

"The business about his marriage or the money he has lost, that is not for me. But I

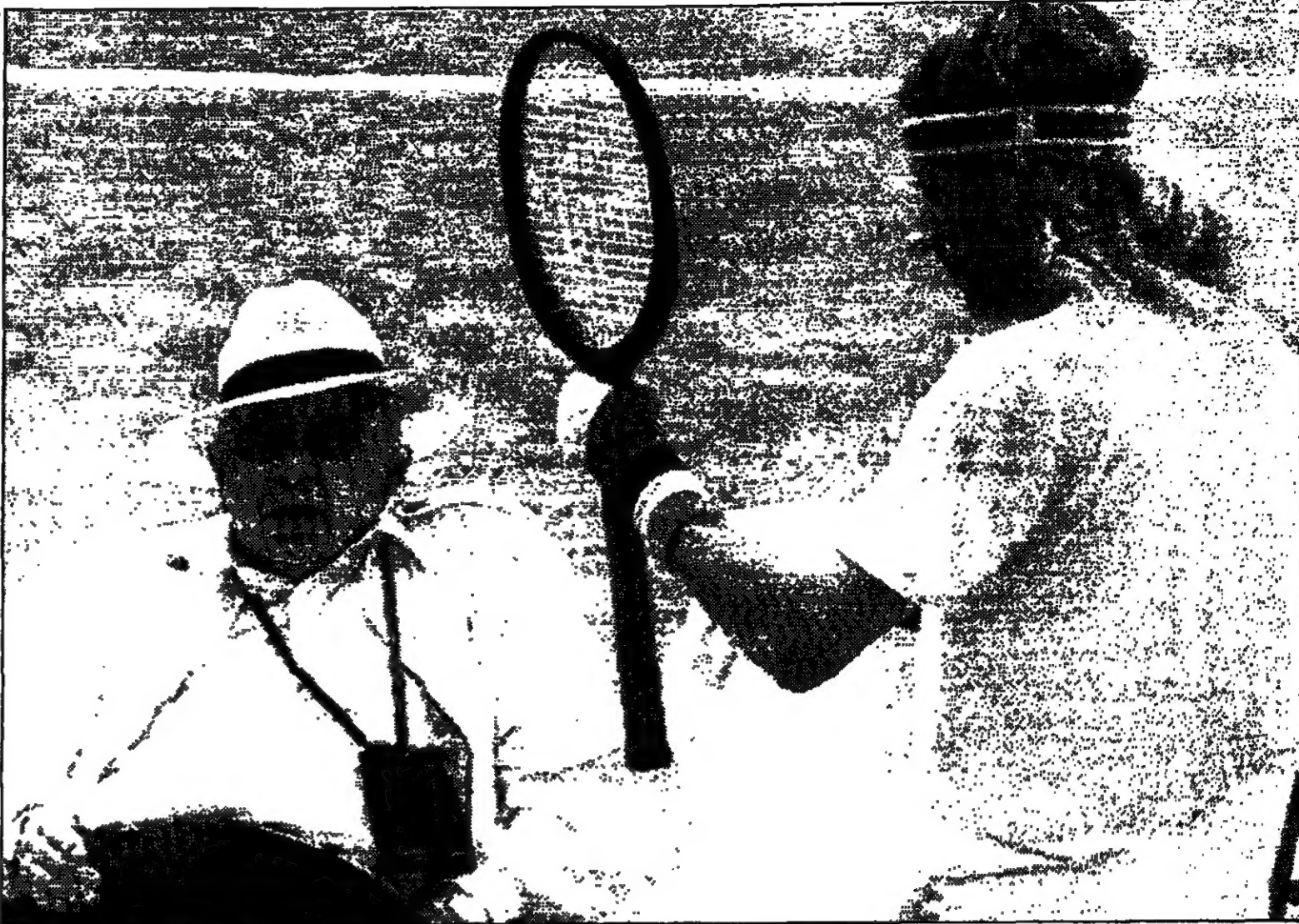
can say he is mentally very fit. He really wants to play and, though he will lose some matches, I believe he will prove he can come back."

Every indicator, from the rustiness of his game to the obsolescence of his wooden racket, suggests otherwise. In all likelihood, Borg will end today with one computer point, the reward for all first-round losers, a ranking of one thousand and something and a much clearer understanding of the passage of time.

But even the most ardent of his detractors will not commit themselves fully for fear that, not for the first time, the Swede will prove them wrong. The departure of Henri Leconte, who has beaten Borg in his previous two comeback attempts, to the Italian, Christiano Caratti, in the first round, and victory for Mats Wilander, making another of his mini-comebacks after a month on tour with his rock band, were at least two good omen.

"It depends why he is doing it," Wilander said. "Whether he just wants to play, whether he needs the money, I think it's great he's doing it. I just hope he doesn't destroy his name completely." "If I had to bet for my life, I would put my money on Arrese because he's had much practice."

FIRST ROUND: A. Manicard (Arg) vs J. Arrese (Esp), 6-2, 7-5, 6-3; M. Wilander (Swe) vs H. Leconte (Fra), 6-2, 6-4, 6-2. SECOND ROUND: M. Wilander (Swe) vs J. Arrese (Esp), 6-2, 6-4, 6-2.



Touching wood: Borg brandishes the old technology racket before his aged mentor, Ron Thatcher, during practice for today's comeback

Liverpool desperate to add to Palace's plight

By IAN ROSS AND DENNIS SIGBY

THE news that Crystal Palace will be fielding a greatly depleted team at Anfield tonight may do little to increase the confidence or complacency of Graeme Souness, Liverpool's new manager.

Though encouraged by Saturday's 3-0 defeat of Norwich City in his first game in charge, Souness knows that his team's next opponents may be harder still, however many players they have missing through injury and suspension and whatever the memories that still linger of last year's 9-0 defeat in the corresponding fixture.

"We have one hell of a ghost to lay," Steve Coppell, the Palace manager admitted. "But we have our pride to

play for and want to prove a point." Palace will definitely be without Andy Thorn, who is suspended, and Eric Young, whose knee injury may rule him out for the rest of the season. Andy Gray and Phil Barber are also injured. Richard Shaw and Mark Bright will face late fitness tests but are unlikely to play.

The celebrations which followed Souness's return to Anfield after an absence of seven years will count for nothing if Liverpool fail to maintain their pursuit of Arsenal in the championship race. "This will be the real test for us after all the recent publicity."

Should Arsenal lose against Queen's Park Rangers at Highbury this evening, Liverpool will bring them level on points. One point from tonight's game

would guarantee the champions a return to European football in the UEFA Cup next season at Palace's expense.

"Palace are aggressive and direct," Souness said. "It will be a different sort of challenge to the one proffered by Norwich. We must show the same, if not more, determination to win because that is how Palace have achieved their success, by adopting a never-say-die attitude."

In keeping with the Liverpool tradition, Souness will delay announcing his starting line-up until shortly before kick-off, but with only Hyson available to Saturday's squad, changes seem unlikely. "We do have one or two players who are suffering from minor knocks but I do not envisage too many problems," the manager said.

Arsenal's problems are probably all in the mind. The points dropped in the home draw with Manchester City last week, coming so soon after the FA Cup semi-final defeat by Tottenham Hotspur, will have done nothing to reassure George Graham's side. The Arsenal manager, who has just brought his back from a three-day stay on the south coast, adds David Hillier to the 13 players on duty against City, but David Rocastle is still not 100 per cent fit for a recall.

At the Aston Villa manager, Jozsef Venglos, has been given a vote of confidence by the club's chairman, Doug Ellis. He dismissed speculation that Venglos was about to resign.

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Jahangir seeks to break the deadlock

By COLIN McQUILLAN

JAHANGIR Khan's desire for a tenth successive HI-Tec British open squash racket championship title was all too evident in his ruthless 9-5, 9-2, 9-7 dismantling of Rodney Martin, of Australia, in their 68-minute semi-final at Wembley Conference Centre late on Sunday.

There were strong intimations of permanent retirement late last year when Jahangir, now aged 27, broke down in Canada claiming physical and mental exhaustion. A new multi-million dollar racket endorsement contract reinvigorated him.

Martin, aged 27, the Brisbane-based shotmaker who lost the last three Wembley finals to Jahangir, was convinced he could reverse the trend. But Jahangir launched an attack of such sustained brilliance that the Australian was contributing marginal errors almost from the start.

Jahangir wants to take a lead in the lifetime confrontation with Jansher Khan, the top-seeded world champion that stands suitably enough at 19-19, with all matches included. On the world circuit the score stands 17-16 to Jansher.

Aged 21 and from the same Peshawar district as Jahangir's family, although no direct relation, Jansher has been in his own words "always unlucky" at the British Open while the record nine victories were being assembled.

His increasingly authoritative 9-10, 9-1, 9-6, 9-2 dismantling of Australia's Chris Dittmar from the second semi-final suggested that he was feeling "luckier" this year.

The Pakistani confrontation was always likely to be a classic. However, the arrival of Lisa Opie and Sue Wright in the women's final made a home-grown British Open champion a certainty for the first time in 30 years, which casts Pakistani hierarchies into paler comparison.

Manchester must stay in the Olympic ring

A REASON why Birmingham and then Manchester

fared poorly in their respective attempts to host the Olympic Games of 1992 and 1996 was less the quality of their bids than the fact that Britain has drifted to the periphery of administrative influence in international sports. It was less the city than the country which fell short each time.

Britain, some parts of the world have come to consider, no longer really matters. That is why it is imperative that the British Olympic Association (BOA) should decide tomorrow to maintain Britain's involvement by having a host candidate for the Games of 2000. The BOA should not be misled by any perceived view of the opinion of the International Olympic Committee (IOC), which will make a decision in Monte Carlo in 1993.

One of the problems lies within the BOA itself. There exists a mood in which the BOA sees itself as an observer of events rather than a server of events. Britain will succeed only when the BOA, together with the government, Conservative or Labour, is wholly committed to supporting the initiative of a bidding city. The last three cities to succeed, Seoul, Barcelona and Atlanta, have had a degree of civil as well as sports commitment which Britain has not begun to comprehend.

It has been an obvious, and slightly too simple, maxim for the London committee, once it resolved some of its inner conflicts, to suggest that of course the IOC would prefer a London option. The BOA should be wary of this argument tomorrow. Seven of the last eight cities to be selected were not capitals.

Many of the IOC, including some members of the executive board, consider that Manchester remains

before 1993 that is a BOA condition.

Yet a press village east of Barking and redevelopment of east London Docklands is not quite the gracious portrait of London familiar on airline advertisements around the world. Manchester may have a hotel shortage even worse than Barcelona's; but how long is it going to take rowing, canoeing or other officials to travel from a West End hotel to Docklands?

"One has to be prudent," Coni says, "not to get into financial liability." Considering London had so short a time to prepare its bid, there seems to be a more solid financial basis, from public and private sector, in Manchester; and it must be an embarrassment that the City has declined to be the authority that would sign the host city contract with the IOC.

In wishing for the Olympics to return to Britain, first for the benefit of the foreign perspective of my country and second for the benefit of sport, I would support any credible bid. Coni could hardly be a more suitable figurehead. Yet Coni's political ambitions will, on his own admission, preclude his involvement from the seven-days-a-week campaigning that has to be fought over two years for any hope of success.

My conviction is that Manchester offers a romantic opportunity to a huge segment of our population, that it would unite people in a way impossible within the metropolis, where congestion, for all the proposed traffic planning, is unlikely to improve during nine years. Manchester has the airport, the space, a motorway network and the public ambition to succeed, if not in 2000, then in 2004. In that context it is important that Manchester remains in the ring.

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James aiming for Hendry's crown

By STEVE ACTESON

STEVE James has had an indifferent season but after winning the four frames needed to defeat Ian Graham 10-3 in Sheffield yesterday - giving him a place in the last 16 of the £750,000 Embassy world snooker championship - he is confidently predicted to have the ability to become both world champion and world No. 1.

Graham, ranked fifth, had one fleeting chance to save the match but, when 48-37 ahead in frame 11, he missed the easiest of greens. After securing the game, two breaks of 31 were enough to take James, the ninth seed, into the second round.

James, from Cannock in the West Midlands, has such sublime natural talent that he has previously neglected the essentials of constant practice.

He is seeded to meet Stephen Hendry, the world champion, in the quarter-finals, and said: "There is no way Hendry has more ability than me but he has worked harder. Now, though, I've finally realised that solid practice really does pay dividends."

"I've had my own snooker room built at home and I'm going to practise six hours a day, I reached my highest position, when I was provisionally ranked fifth earlier this season, without really working at my game. Now I'm working harder, I honestly believe I can eventually pick off those last few places."

Dennis Taylor survived a mid-session crisis to take a 6-3 lead over his fellow former world champion, Joe Johnson. He ended the session with a winning break of 54.

Search is on for new London Marathon finish

By DAVID POWELL
ATHLETICS CORRESPONDENT

THE ADT London Marathon will remain exactly that next year, it was announced yesterday, but where the winner will breast the sponsor's ribbon is less certain. Westminster Bridge, one of the most famous playgrounds in British sport, may have seen its last Pheidippides.

New British messengers are taking important news to the prime minister. A letter from two Members of Parliament is being delivered, seeking his urgent help to find an alternative finish. A proposed Jubilee Line underground extension and uncertainty

over access to areas where the marathon comes to rest has set Chris Brasher, the race director, and his team looking for alternatives.

Brasher said yesterday that his recent talks with London Transport had raised his optimism for a Westminster Bridge finish next year. The company had, he added, been cooperative over ways in which work on the Jubilee Line might be conducted without making Jubilee Gardens off-limits for the marathon finish.

Greater concern centres on County Hall. Whoever the new owners prove to be, if they are not marathon sympathisers, then there are "serious problems", according

to Sol N'Jie, Brasher's man in charge of the finish.

Derek Douglas, the MP for Dunfermline West, and Gary Walker, the MP for Kewley, have each run ten out of the 11 London Marathons. Their letter to the prime minister reads: "Nothing can quite compare with the majestic sweep past Parliament Square and over Westminster Bridge to the finish line, nor with the subsequent, running with family, friends, and warm clothes in Jubilee Gardens."

Comparable or not, somewhere may need to be found. Alan Storey, who is to take over from Brasher as race director, said one alternative under consideration was to run the race in the opposite

direction, from a London park to Greenwich.

ADT, sponsors for the last three years, have taken the option of going into a fourth year, though the event will revert to its simple form after the World Cup was staged in conjunction on Sunday. It was a cup won by Britain's men, two-thirds of whom have declined selection for the world championships in Tokyo, in August.

Dave Long, who led the team, has accepted, but Steve Brace and Hugh Jones have not. Their places have gone to Dave Buzza and Sam Carey, neither of whom was considered as challengers before the race had been run. Buzza's 2hr 12min 37sec marathon debut

was encouraging, but it is hard to take Carey, who ran 2:13.54, seriously.

He is a curious character. He made a name for himself with numerous victories in Yorkshire, using the pseudonym Dex Lyric. Last year, he qualified for the world cross-country championships after running the trial barefoot, but he turned down selection because his feet hurt.

His eccentricities were displayed before millions on Sunday when he crossed Westminster Bridge in bare feet, having stopped to remove his shoes, running the

risk of missing the world championship qualifying time, which he achieved by six seconds.

The women's team will be Veronique Marot, Sally Ellis and either Angie Hulley or Sally Eastall.

At yesterday's press conference, a tale unfolded of the man who went for a ride in a portable toilet. A forklift truck driver removed it from the finish to a spot 200 metres away with no opportunity offered for the occupier to vacate. Name of driver and passenger not known. Sam Carey, where were you?

Homes to be
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By ROBIN O

MICHAEL Heseltine yesterday swept away the last vestiges of the constituency change which the announced proposals for a council tax based on a 25 per cent increase for people in the area.

After weeks of speculation, the new council tax system, which would be based on a 25 per cent increase in the premium, would be based on a 25 per cent increase in the premium, which would be based on a 25 per cent increase in the premium.

Ministers of the Conservative Party, the party in government, will this morning announce the new council tax system. Some local authorities were worried, however, that the tax would not come into effect until 1993, which would be the next election. Labour attacked the plans as a wasted opportunity.

Outlining the proposals in the Commons, Mr Heseltine declared: "The council tax will be simple and easy to collect. It will ensure that single

THE TIMES
TODAY

ROYALTY
Prince Charles has long believed that he can speak for ordinary people on big issues. See Mary Vinn Stephen Page 18

PAINTING
Roger de Grey, president of the Royal Academy, looks about him. Hanging judge for the summer exhibition Page 15

SPORT
Bjorn Borg made a dramatic comeback yesterday. See Andrew Longmore wonders where Borg goes from here Page 48

INSIDE
Arms offer
President Bush has offered a secret compromise to Moscow on the Conventional Forces in Europe treaty signed in Paris last November but still to be ratified. Page 24

Pilot accused
A British airways pilot, Captain William (Dick) Stewart, whose jet, carrying 255 passengers, is alleged to have skidded off the runway, is accused of criminal negligence and putting the aircraft in danger. Page 3

Swift justice
According to the terms of a new agreement reached between police, prosecutors and magistrates, most people accused of drink-driving offences will appear in court within three weeks of the arrest. Page 8

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